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**REPORT**  
**on**  
**Survey of Labour Conditions**  
**in**  
**Hydrogenated Oil Factories in India**  
**1965 - 66**



सत्यमेव जयते

**LABOUR BUREAU**  
**MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION**  
**(DEPARTMENT OF LABOUR AND EMPLOYMENT)**  
**GOVERNMENT OF INDIA**



**ERRATA TO THE REPORT ON SURVEY OF LABOUR CONDITIONS IN  
HYDROGENATED OIL FACTORIES IN INDIA**

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## PREFACE

Ever since India entered the industrial field over a century ago, the industrial labour in the country and its problems have been the subject of interest. From earlier emphasis on prevention of exploitation of labour, the interest has now shifted to providing them a fair deal and fuller opportunities. Surveys that bring out true conditions of labour provide a sound base to the present day approach to problems of labour in India, in the context of planned economic development of the country.

A detailed survey on a country-wide basis of the working and living conditions of industrial labour was conducted by the Labour Investigation Committee, appointed by the Government of India in 1944. The years that followed witnessed far reaching changes in the set-up of the country, its basic policies and national objectives. As a result, the well-being of the working class came to be recognised as an essential factor in the long-term strategy for industrial advance and in the overall economic stability and progress of the country. The adoption of this policy has brought about a new awakening in the ranks of labour and has afforded them much relief in various directions through legislation and other measures.

In order to assess the impact of these measures on the industrial labour and to make an appraisal of their present conditions, a scheme for a comprehensive Survey of Labour Conditions was incorporated in the Second Five Year Plan. Its execution was entrusted to the Labour Bureau. The Survey was conducted according to a phased programme in 46 industries. This Report presents data regarding the Hydrogenated Oil Industry covered under the Scheme during 1965-66.

The present Survey differs considerably from similar investigations in the past in matters of design, scope and presentation of data. It has also certain distinguishing features. For example, it furnishes data separately for large and small establishments in various industries, makes a limited study of labour cost in relation to the benefits and amenities that the workers now enjoy, and provides first-hand information on certain important aspects of labour management relations. Attempt has also been made to collect and interpret data on certain conventional items in a more meaningful way. In the presentation of the data, the effort has been to reduce the information into quantitative terms so as to serve as a bench-mark for purposes of evaluation of changes at a future date. Recourse to general description has been resorted to only where the other type of treatment was not possible.

In a Survey of this magnitude, it was but natural that many problems had to be faced both in planning as well as execution. Most of these flowed from non-availability of up-to-date frames and absence or improper maintenance of records in many establishments.

In many cases, the field staff had almost to build up the required statistics from various sources. This naturally imposed a heavy demand on the industrial managements canvassed and the Bureau is deeply indebted to them for their wholehearted co-operation. The co-operation and valuable assistance received from associations of employers and workers, Labour Commissioners as well as Chief Inspectors of Factories and other officials of State Labour Departments is also gratefully acknowledged.

The debt of gratitude that I owe to the Central Statistical Organisation and the Chief Advisor of Factories\* for evincing keen interest in the Survey and rendering technical advice on various matters is indeed great. I am also thankful to the Employment Division of the Planning Commission for examining the Schedule and Instructions and offering useful suggestions. I am equally grateful to the Bureau of Labour Statistics, U.S.A., Social Survey Division, Ministry of Labour and Social Service, U.K., Economics and Research Branch, Department of Labour, Canada, and Labour Statistics and Research Division, Ministry of Labour, Japan, whose advice was sought on several technical matters.

The primary responsibility for conducting the present round (fourth and final) of the Survey was borne by Dr. J.N. Mongia, Deputy Director, supported by other officers of the Bureau on various statistical problems arising out of the Survey. The preliminary draft of the Report was prepared by Shri Onkar Nath Misra, Investigator Grade I, and was finalised by Shri Harbans Lal, Deputy Director, with the assistance of Shri H.B.L. Bhatnagar, Assistant Director, who was also responsible for supervising the manual tabulation of data. Part of the data relating to Survey of Labour Conditions in industries covered during the fourth round (1965-66) was for the first time tabulated by the Machine Tabulation Unit of the Labour Bureau, under the supervision of Shri Subir Kumar Gupta, Assistant Director. Sarvashri Balvinder Singh, R. C. Madan and D. D. Verma, Computers assisted in computation of data. The field investigations were carried out by Sarvashri R.K. Bhargva, Harish Prakash, S.C. Luthra, L.K. Kanuga, R.N. Tewari, V.K. Lohumi, G.S. Kochhar and Khajan Singh under the supervision of Sarvashri Mahesh Chandra, R.N. Mondal and P.T. Deshpande. To all these I am deeply thankful.

The views expressed in this Report are not necessarily those of the Ministry of Labour, Employment and Rehabilitation (Deptt. of Labour and Employment), Government of India.

LABOUR BUREAU, SIMLA

*Dated the 14th May, 1968.*

K. K. BHATIA

*Director*

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\*Now designated as Director General, Factory Advice Service and Labour Institutes.

## CHAPTER I

### INTRODUCTION

Hydrogenated Oil, popularly known as Vanaspati, is vegetable oil which has been refined, hydrogenated, deodorised and vitaminised. The Industry occupies an important position in the economy of the country. It is the second largest food processing industry in India, next only to the Sugar Industry.

#### 1.1. *Growth and Location of the Industry*

Vanaspati owes its origin to margarine which was first made by the French scientist Mege Mouriés in 1869 from a mixture of warm, liquid animal fat, milk and water in order to overcome the acute shortage of butter in France at that time. With the invention of the hydrogenation process in 1910, by which liquid oil could be rendered into semi-solid fat, vegetable oils replaced animal fats as the basic raw material for margarine. Soon, the hydrogenation process was used by western countries for the making of cooking fats, known as 'shortening', from vegetable oils.

In India, vanaspati was introduced after World War I through imports of 'shortening' from Holland. Its relative cheapness made it popular and, by 1928-29, the annual imports of 'shortening' had increased to as much as 28,500 tonnes. The growing demand for Vanaspati and abundant supply of edible oils led to the establishment of the first vanaspati factory in the country in 1930. Since 1944, the industry is regulated under the Vegetable Oil Products Control Order of the Government of India. Under this Order, the quality of the product is strictly regulated. The consumption of vanaspati received some set-back with the partition of the country in 1947 as it separated a prominent fat consuming area in West Pakistan. However, with the beginning of the era of planning, the production and use of vanaspati have been stepped up. In 1965, the production of vanaspati stood at 4,28,762 tonnes as against 1,74,601 tonnes in 1951. The rapid growth of the industry is, however, prevented by a number of factors such as criticism of the nutritive value of vanaspati, high oil prices, difficulties in getting raw materials, etc.

The number of Hydrogenated Oil factories before the beginning of the First Five Year Plan (i.e., 1951) was only 24 employing 5,759 persons. By the end of 1965, the number of factories had risen to 39 and the number of workers employed therein to 10,705. Though the number of factories rose by 62 per cent., the working force almost doubled. Statement 1.1 shows State-wise distribution of Hydrogenated Oil factories in India, during, 1965, and the number of workers employed therein.

It will seen from the Statement (1.1.) that the industry is scattered throughout the country and is shared by all States except Assam, Orissa and Rajasthan. However, both from the point of view

of number of factories and employment, Maharashtra occupies the top position, having about one-fifth of the factories and about two-fifths of the total employment.

### STATEMENT 1.1

#### *State-wise Distribution of Hydrogenated Oil Factories in India and Average Daily Employment therein during 1965*

State						Number of Factories	Average Daily Employment
1						2	3
1. Andhra Pradesh	..	..	..	..	..	2 (5.1)	93 (0.9)
2. Bihar	..	..	..	..	..	2 (5.1)	228 (2.1)
3. Gujarat	..	..	..	..	..	4 (10.2)	957 (8.9)
4. Kerala	..	..	..	..	..	1 (2.6)	39 (0.4)
5. Madhya Pradesh	..	..	..	..	..	1 (2.6)	268 (2.5)
6. Madras	..	..	..	..	..	3 (7.7)	751 (7.0)
7. Maharashtra	..	..	..	..	..	8 (20.5)	4,316 (40.3)
8. Mysore	..	..	..	..	..	3 (7.7)	540 (5.1)
9. Punjab	..	..	..	..	..	3 (7.7)	336 (3.1)
10. Uttar Pradesh	..	..	..	..	..	4 (10.3)	1,542 (14.4)
11. West Bengal	..	..	..	..	..	6 (15.4)	1,287 (12.0)
12. Delhi	..	..	..	..	..	2 (5.1)	348 (3.3)
Total						39 (100.0)	10,705 (100.0)

NOTE:—Figures shown in brackets are percentages to totals.

SOURCE:—Returns received under the Factories Act, 1948 for the year 1965.

### 1.2. Genesis of the Survey

The first comprehensive survey of conditions of labour in various industries in India on a country-wide basis was conducted by the Royal Commission on Labour during 1929—31. On the basis of its report and findings, various ameliorative measures were introduced by the Government in the field of labour. After a lapse of over a decade, i.e., in 1944, the Government of India appointed another Committee viz., the Labour Investigation Committee, to enquire into the conditions of labour in all important industries. The Committee conducted detailed investigations in 38 industries during 1944-45

and, besides a main report on labour conditions in general, published individual reports in respect of various industries. These reports provided valuable material for the formulation of labour policy. The years that followed witnessed many changes of far-reaching significance. For instance, many legislative measures were adopted to improve working and living conditions and several schemes were enforced for promoting welfare and social security of workers. The setting up of the adjudication machinery also led to improvement in the conditions of work and wages in various industries. Above all, the attainment of Independence by the country in 1947 gave a new status to the working classes. With a view to evaluating and assessing the effects of the various measures adopted, the Ministry of Labour and Employment as well as the Planning Commission considered it necessary that a fresh comprehensive survey of labour conditions in various industries should be conducted. Such a survey, it was felt, would also help the Government in obtaining a precise picture of the existing conditions and problems of labour for purposes of deciding the future course of action. Accordingly, a scheme for the conduct of a Survey of Labour Conditions was included in the Second Five Year Plan and the Labour Bureau was entrusted with its execution. The scheme drawn up by the Bureau envisaged to cover 46 industries according to a phased programme in four rounds. The Hydrogenated Oil Industry was not surveyed as a separate industry by the Labour Investigation Committee during 1944-45, presumably because this industry was not an important one at the time. However, since the Industry has developed significantly now and employs about 10,700 workers, it was considered desirable to include it in the scope of the present Survey. As such, Hydrogenated Oil Industry was covered as one of the 18 industries during the fourth round of the Survey of Labour Conditions.

### 1.3. *Scope and Design of the Survey*

A note attached to the report (Appendix) gives details relating to the sample design and method of estimation adopted. In view of the absence of a complete list of all Hydrogenated Oil factories, the Survey was confined to establishments registered under the Factories Act, 1948. Accordingly, the list of registered factories during 1963 (except in case of Andhra Pradesh and Maharashtra for which the list related to the year 1962), which was the latest available, was used as frame. No stratification by regions or centres was considered practicable in view of small number of units in the Industry. However, earlier investigations had indicated the existence of wide variations in conditions of work, standard of welfare amenities, etc., in the establishments of different size groups in various industries. It was, therefore, considered desirable to collect data separately for establishments of different sizes. It was accordingly, decided that for the purposes of the Survey, Hydrogenated Oil factories should be divided into two size groups—large and small. For this purpose, the cut-off point chosen was 235 which was approximately equal to the average size of employment per factory. The sampling fraction adopted was 33 per cent. for all large size factories and 40 per cent. for small size factories in the Hydrogenated Oil Industry.



Statement 1.2 shows the number of Hydrogenated Oil factories together with the number of workers employed therein (a) in the frame, (b) in the sample and (c) in the sample actually covered.

### STATEMENT 1.2

*Number of Hydrogenated Oil Factories and Workers Employed therein in the Frame, Sample, etc.*

Size-Group	In the Frame		In the Sample Selected		In the Sample Ultimately covered	
	Number of Factories	Number of Workers Employed	Number of Factories	Number of Workers Employed	Number of Factories	Number of Workers Employed
1	2	3	4	5	6	7
1. Large Factories ..	14	7,330	5 (35·7)	1,879 (25·6)	5 (35·7)	1879 (25·6)
2. Small Factories ..	22	2,495	9 (40·9)	1,021 (40·9)	8 (36·4)	1,011 (40·5)
3. All Factories ..	36	9,825	14 (38·9)	2,900 (29·5)	13 (36·1)	2,890 (29·4)

NOTE:—Figures in brackets are percentages of respective totals in the Frame.

From the figures given in the Statement (1.2), it would be seen that the Survey ultimately covered nearly 36 per cent. of the factories which accounted for about 29 per cent. of the workers employed in the Industry. Since only those factories fell in the sample as featured in the frame and as it was not possible to take account of the new factories which came into being during the period of the Survey, the information given in this Report should be treated to relate to conditions in the factories which were in existence during the period to which the frame related (i.e., 1962-63) and which continued to exist at the time of the Survey (i.e., 1965-66).

The data for the Survey were collected by the field staff of the Labour Bureau by personal visits to the sampled establishments. With a view to testing the schedule and instructions prepared for the Survey as also to impart practical training to the field staff, a pilot enquiry was conducted in September-October, 1959, before taking up the first round of the main Survey of Labour Conditions Scheme in December, 1959. On the basis of the experience gained in the pilot enquiry, the schedule and instructions were suitably revised. However, the schedule\* used for collection of the required

\*The schedule used for the Survey has been published in the Report on Survey of Labour Conditions in Artificial Manure Factories in India (1965-66).

information in the fourth round differed from that used in the earlier three rounds. Since the information pertaining to absenteeism, labour turnover, pay periods and earnings was already being collected under other schemes of the Bureau viz., Occupational Wage Survey, Annual Survey of Industries, etc., it was decided not to collect such information under the fourth round of the Survey of Labour Conditions Scheme and hence the schedule was revised accordingly. Some minor changes in the block relating to Works Committees were also carried out.

The field investigations were launched in April, 1965, and completed in February, 1966. Hence, the information collected, except where specifically mentioned, should be treated to relate to this period, i.e., 1965-66.

## CHAPTER II

### EMPLOYMENT

During the course of the present Survey, in order to ensure comparability, the data in respect of employment were collected from the sampled establishments for a specified date, i.e., 31st March, 1965. On the basis of these data, the total employment strength of the factories registered under the Factories Act, 1948 as on 31st March, 1965, is estimated to be about 11.7 thousand. This estimate, however, differs from the corresponding statistics of the Factories Act for the year 1965 (i.e., 10,705), the main reason for the difference being that the former represents the estimate based on the actual number of persons on roll on a particular date whereas the latter is the average daily employment for the whole year. Besides, while the former includes even those employees who, though employed in registered factories, were deemed to be 'not covered' under the Factories Act, the latter figure does not take such employees into account.

#### *2.1. Composition of the Working Force*

##### *2.1.1. Distribution by Broad Occupational Groups*

As per the International Standard Classification of Occupations, recommended by the International Labour Organisation, workers in the Hydrogenated Oil Industry were classified into the following categories for the purposes of the present Survey :—

- (a) Professional, Technical and Related Personnel.
- (b) Administrative, Executive and Managerial Personnel.
- (c) Clerical and Related Workers (including Supervisory).
- (d) Production and Related Workers (including Supervisory).
- (e) Watch and Ward and Other Services.

Statement 2.1 gives details in respect of the number of workers on roll, by occupational groups, as revealed by the Survey.

The Statement (2.1) shows that an overwhelming majority of the working force in the Industry belonged to the group 'Production and Related Workers (including Supervisory)', their percentage to the total being about 78. 'Clerical and Related Workers (including Supervisory)' and 'Watch and Ward and Other Services' constituted about 10 and 7 per cent. of the total workers respectively. 'Professional, Technical and Related Personnel' and 'Administrative, Executive and Managerial Personnel' did not form any sizable proportion and accounted for about 4 and 1 per cent. of the total working force respectively. As between large and small factories, there was not much difference in so far as workers belonging to groups 'Professional, Technical and Related Personnel' and 'Production and Related Workers' were concerned. The percentage of 'Administrative, Executive and Managerial Personnel' and the workers belonging to

'Watch and Ward and and Other Services' was higher in small factories as compared to large ones. But the proportion of 'Clerical and Related Workers (including Supervisory)' was higher in large factories than small ones.

### STATEMENT 2.1

#### *Estimated Percentage Distribution of Workers\* by Broad Occupational Groups in the Hydrogenated Oil Industry*

(31st March, 1965)

Size-Group	Total Number of Workers (Estimated)	Estimated Percentage of Workers				
		Profess- ional, Technical and Related Personnel	Adminis- trative, Executive and Manage- rial Personnel	Clerical and Related Workers (including Supervi- sory)	Produc- tion and Related Workers (including Supervi- sory)	Watch and Ward and Other Services
1	2	3	4	5	6	7
1. Large Factories ..	9,146	3.9	0.9	10.0	78.4	6.8
2. Small Factories ..	2,595	3.7	1.5	8.1	77.6	9.1
3. All Factories ..	11,741	3.9	1.0	9.6	78.2	7.3

\*'Covered' as well as 'Not Covered' under the Factories Act, 1948.

#### *2.1.2. Distribution of Workers by 'Covered' and 'Not Covered' under the Factories Act, 1948*

The Factories Act, 1948, defines 'worker' as a "person employed, directly or through any agency, whether for wages or not, in any manufacturing process, or in cleaning any part of the machinery or premises used for a manufacturing process, or in any other kind of work incidental to or connected with the manufacturing process, or the subject of manufacturing process .....". During the course of the Survey, it was observed that there was no uniform practice with regard to the interpretation of the above definition of 'worker' and, consequently, while some units had included certain categories of employees among those covered under the Factories Act, others tended to exclude them. Such workers as were not covered under the Factories Act formed about 4 per cent. of the total estimated employment in the Industry. Details of workers 'covered' and 'not covered' in different broad occupational groups are given in Statement 2.2.

It would appear from the Statement (2.2) that a bulk of the working force, constituting about 96 per cent. of the total estimated employment in the Hydrogenated Oil Industry, was covered under the Factories Act, 1948. As regards 'Production and Related Workers (including Supervisory)', there was the least difference of opinion as

## STATEMENT 2.2

*Estimated Percentage Distribution of Workers by 'Covered' and 'Not Covered' under Factories Act, 1948 in the Hydrogenated Oil Industry*

(31st March, 1965)

Size-Group	Professional, Technical and Related Personnel		Administrative, Executive and Managerial Personnel		Clerical and Related Workers (including Supervisory)	
	Covered	Not Covered	Covered	Not Covered	Covered	Not Covered
1	2	3	4	5	6	7
1. Large Factories ..	83.2	16.8	52.3	47.7	83.3	16.7
2. Small Factories ..	92.6	7.4	47.4	52.6	100.0	—
3. All Factories ..	85.2	14.8	50.8	49.2	86.4	13.6

Size-Group	Production and Related Workers (including Supervisory)		Watch and Ward and Other Services		Total	
	Covered	Not Covered	Covered	Not Covered	Covered	Not Covered
1	8	9	10	11	12	13
1. Large Factories ..	99.4	0.6	94.7	5.3	96.4	3.6
2. Small Factories ..	98.7	1.3	75.1	24.9	95.6	4.4
3. All Factories ..	99.2	0.8	89.2	10.8	96.2	3.8

about 99 per cent. of such workers were uniformly being treated as covered under the Factories Act. The proportion of workers 'not covered' was the highest (about 49 per cent.) in the group 'Administrative, Executive and Managerial Personnel', followed by 'Professional, Technical and Related Personnel' (about 15 per cent.), 'Clerical and Related Workers' (about 14 per cent.) and 'Watch and Ward and Other Services' (about 11 per cent.). The proportion of workers 'not covered' under the Act in the Industry was higher in small factories (4.4 per cent.) than in large ones (3.6 per cent.).

A further examination of the data has revealed that, of the total number of workers covered under the Act (i.e., 11,296), about 3 per cent. belonged to the group 'Professional, Technical and Related Personnel', about 1 per cent. to 'Administrative, Executive and Managerial Personnel', about 8 per cent. to 'Clerical and Related Workers', about 81 per cent. to 'Production and Related Workers' and about 7 per cent. to 'Watch and Ward and Other Services'. Similarly, the

break-up of the total number of workers 'not covered' under the Act (i.e., 445) was about 15, 14, 34, 16 and 21 per cent. for the above mentioned groups respectively.

## 2.2. Employment of Women

The employment of women in this Industry was not very significant. Although women were found employed in about 23 per cent. of the Hydrogenated Oil factories in the country, they formed hardly 3 per cent. of the total number of workers employed in the Industry. Most of the women were employed in large factories which accounted for about 96 per cent. of their total employment in the Industry. Details appear in Statement 2.3.

### STATEMENT 2.3

#### *Estimated Proportion of Women Workers in the Hydrogenated Oil Industry*

(31st March, 1965)

Size-Group	Total Number of Factories†	Percentage of Total Number Factories Employing Women	of Workers*	Percentage of Women Workers (of Col. 4)	Percentage of Women Workers to the Total Number of Women Workers in the Industry
1	2	3	4	5	6
1. Large Factories ..	13	20.0	9,146	3.2	96.1
2. Small Factories ..	17	25.0	2,595	0.5	3.9
3. All Factories ..	30	22.8	11,741	2.6	100.0

†This number does not tally with the number of Factories in Statement 1.2. This difference is due to the fact that certain factories were found closed at the time of the Survey.

\*'Covered' and 'Not Covered' under the Factories Act, 1948.

Data were also collected in respect of the distribution of women workers into broad occupational groups. It was found that as many as 86 per cent. of the women workers in the Industry were employed as 'Production and Related Workers' and the rest were in the group 'Watch and Ward and Other Services'. As production workers, women were engaged on such jobs as cleaning of groundnut and its cake, loading and unloading, bringing coal to boiler house, feeding the machine with raw material, helping the mason, etc. Those employed in the group 'Watch and Ward and Other Services' were sweepers. No particular reason was advanced by the employers for their employment except that the work was being conventionally done by women workers.

### 2.3. Child Labour

During the course of the Survey, none of the sampled units surveyed in the Hydrogenated Oil Industry was found to be employing child labour.

### 2.4. Time-rated and Piece-rated Workers

Statement 2.4 gives the distribution of 'Production Workers' by method of payment.

#### STATEMENT 2.4

*Estimated Percentage Distribution of 'Production and Related Workers' in the Hydrogenated Oil Industry by Methods of Payment (31st March, 1965)*

Size-Group		Number of Production Workers†	Distribution of workers into		Percentage Distribution of Workers by Sex and Method of Payment			
			Time-rated	Piece-rated	Men		Women	
					Time-rated	Piece-rated	Time-rated	Piece-rated
1	2	3	4	5	6	7	8	
1. Large Factories	..	7,121	98.0	2.0	97.9	2.1	100.0	—
2. Small Factories	..	1,988	98.7	1.3	98.7	1.3	—	—
3. All Factories	..	9,109	98.1	1.9	98.1	1.9	100.0	—

†Covered under the Factories Act, 1948 including Contract Labour.

Though both the systems of payment i.e., time-rate and piece-rate, were prevalent in the Industry, it will be seen that payment by time predominated inasmuch as about 98 per cent. of the 'Production Workers' in the Industry were employed on time-rate basis. The rest (about 2 per cent.) were piece-rated workers. As between large and small factories, the distribution of workers employed as time-rated and piece-rated followed, more or less, the same pattern. It is significant to note that all the women workers were time-rated.

### 2.5. Contract Labour

Details about the volume and extent of contract labour in the Industry have been presented in Statement 2.5.

It would appear from the Statement (2.5) that the system of employing contract labour was prevalent in about 40 per cent. of the Hydrogenated Oil factories in the country and such workers accounted for about 10 per cent. of the total 'Production Workers'. As between large and small factories, the proportion of contract workers employed in the former was a little more than double of that in the latter.

Contract labour was mostly employed on such jobs as loading and unloading, packing, soldering of tin containers, stamping, wrapping, etc. The main reasons given by the employers for the employment of such workers were the intermittent nature of the job and relief from botheration of making supervisory arrangements.

## STATEMENT 2.5

*Estimated Percentage of Factories Employing Contract Labour in the Hydrogenated Oil Industry.**(31st March, 1965)*

Size-Group		Number of Factories	Percentage of Factories Employing Contract Labour	Total Number of Production Workers† in the Industry	Number of Production Workers Employed Through Contractors
		1	2	3	4
1. Large Factories	..	13	60.0	7,121	828 (11.6)
2. Small Factories ..	..	17	25.0	1,988	108 (5.4)
3. All Factories ..	..	30	40.2	9,109	936 (10.3)

†Covered under the Factories Act, 1948.

NOTE—Figures within brackets in column 5 are percentages to those in column 4.

**2.6. System of Recruitment**

The Survey results show that the most common practice in the Industry was to recruit workers directly at the factory gate as about 93 per cent. of the workers had been so recruited. Of the rest, about 5 per cent. of the workers in the Industry were recruited through advertisements/interview and the remaining 2 per cent. through Employment Exchanges or personal contacts. It is a welcome feature of the Industry that the practice of recruiting workers through intermediaries like *mistries* or jobbers, recruiters, labour contractors, etc. was not in vogue in any of the unit surveyed.

**2.7. Employment Status**

During the course of the Survey, information pertaining to the classification of 'Production Workers' employed directly by the managements and covered under the Factories Act, 1948, into different categories of employment status viz., permanent, temporary, probationers, etc., was collected. The classification of workers into various categories is generally done according to the definition as contained in the Standing Orders framed under the Industrial Employment (Standing Orders) Act, 1946 or some of the State Acts. But these Acts apply to only those establishments which employ 100 or more workers. In case of those units where framing of Standing Orders was not obligatory or the same had not been otherwise framed, reliance had to be placed on the version of the managements regarding the employment status of their workers. Statement 2.6 gives the percentage distribution of 'Production Workers' employed directly, and covered under the Factories Act, according to their employment status.



## STATEMENT 2.6

*Estimated Percentage Distribution of 'Production and Related Workers' by Employment Status in the Hydrogenated Oil Industry*  
(31st March, 1965)

Size-Group	Total Number of Production Workers* (employed directly)	Percentage Distribution of Workers						Apprentices	
		Perma- nent Workers	Proba- tioners	Tempo- rary workers	Badlis	Casual Workers		Paid	Un- paid
1	2	3	4	5	6	7	8	9	
1. Large Factories	6,293	76.3	—	19.7	4.0	—	—	—	—
2. Small Factories	1,880	65.8	—	30.2	0.1	3.8	0.1	—	—
3. All Factories ..	8,173	73.9	—	22.1	3.1	0.9	†	—	—

\*Covered under the Factories Act, 1948.

†Less than 0.005 per cent.

It would appear from the Statement (2.6) that in the Industry as a whole, nearly 74 per cent. of the 'Production Workers' were permanent and about 22 per cent. temporary. *Badli* and casual workers accounted for about 3 and 1 per cent. respectively. The percentage of permanent workers in small factories was lower as compared to that in the large factories, the respective figures being about 66 and 76. While in large factories, not a single worker was found to have been employed as a casual hand, in small factories they constituted about 4 per cent. of the total production workers. Similarly, the proportion of temporary workers in small factories was higher (30 per cent.) than in large factories (20 per cent.). Probationers were not employed at all in the Industry.

### 2.8. Length of Service

During the course of the present Survey, a study of the distribution of workers according to their length of service was made in respect of 'Production Workers' covered under the Factories Act, 1948, and employed directly by the managements. The data are presented in Statement 2.7.

It is significant to note that in the Industry, as a whole, nearly 38 per cent. of the 'Production Workers' had 10 years or more of service to their credit as on 31st March, 1965 and only about 27 per cent. had less than a year's service. The statistics collected further reveal that the working force was, more or less, equally stable in both large and small establishments because the percentage of those 'Production Workers' who had put in 5 years or more of service was about 53 in large factories and about 48 in small factories.

## STATEMENT 2.7

*Estimated Percentage Distribution of 'Production and Related Workers' Employed Directly According to Length of Service in the Hydrogenated Oil Industry.*

(31st March, 1965)

Size-Group	Total Number of Production Workers*	Percentage Distribution of Workers having Length of Service of				
		Under 1 year	1 year and more but under 5 years	5 years and more but under 10 years	10 years and more but under 15 years	15 years and more
1	2	3	4	5	6	7
1. Large Factories ..	6,293	24.4	23.1	15.3	16.4	20.8
2. Small Factories ..	1,880	33.9	17.9	9.5	32.0	6.7
3. All Factories ..	8,173	26.6	21.9	14.0	20.0	17.5

\*Covered under the Factories Act, 1948.

## 2.9. Absenteeism

No information in regard to the extent of absenteeism was collected from this Industry during the Survey as the Bureau was already collecting information relating to absenteeism under the Annual Survey of Industries in respect of permanent and temporary 'Production Workers' and it was expected that the same could be utilized for this Report also. Since the data collected during the Annual Survey of Industries 1964 are still in the processing stage, no use could be made of them in this Report. However, an attempt was made to obtain a general idea about the measures taken, if any, by the managements to reduce absenteeism. The Survey has revealed that nearly 47 per cent. of the Hydrogenated Oil factories in the country had taken some steps to reduce absenteeism. As between large and small factories, the former accounted for 60 per cent. and the latter for about 38 per cent. Generally, these steps included deduction of wages for absence, bonus based on attendance, warning and disciplinary action, etc.

## 2.10. Labour Turnover

As in the case of absenteeism, only the information regarding the steps taken by the managements to reduce labour turnover was collected during the present Survey. Only about 7 per cent. of the factories, all small ones, had taken some steps to reduce labour turnover and they were in the form of high rates of wages and bonus.

## 2.11. Regulation of Employment of Badli and Casual Labour

The system of employing Badli and casual workers was in vogue in about 47 per cent. of the Hydrogenated Oil factories in the country. Of these, nearly one-third had taken some steps to regulate their employment by absorbing them in regular vacancies.

### 2.12. Training and Apprenticeship

The Survey revealed that the system of providing training and/or apprenticeship facilities to workers was in vogue in about 23 per cent. of the Hydrogenated Oil factories in the country. As between large and small factories, the respective percentage of units where such facilities existed was 20 and 25. The facilities had been provided on a regular basis in about 69 per cent. of the units having such arrangements while in the rest (31 per cent.), these were on an *ad hoc* basis. As regards the persons entitled to receive training, the prescribed qualification differed from unit to unit. For example, in one of the small factories surveyed, it was Matriculation while in another it was B.Sc. In one of the large factories surveyed, only those persons who had already passed the courses conducted by Industrial Training Institutes were entitled to receive training. The training was usually imparted in such trades or occupations as fitter, electrician, Hydrogenation and refining of oil, etc. The period of training varied from six months to three years depending upon the nature of trade and the degree of skill aimed at. In all cases, there were written contracts between the apprentices and the employers. All the units providing the facility paid some cash remuneration to the trainees, the amount of which varied from Rs. 50 to Rs. 150 per month depending upon the nature of the trade and the period of training. As regards employment subsequent to training, generally, there was no such undertaking on the part of the management, but in some cases it was stated that the apprentices were usually absorbed.

## CHAPTER III

### WAGES AND EARNINGS

During the course of the present Survey, no attempt was made to collect data on wage rates for individual occupations as well as wage revisions since this information had already been collected by the Bureau under the Second Occupational Wage Survey (1963—65).

#### 3.1. *Earnings*

##### 3.1.1. *Average Daily Earnings of Different Categories of Workers*

The data on pay periods and earnings of Production Workers and All Workers were not collected during the present Survey as the same were already available in the Bureau, having been collected in connection with the Occupational Wage Survey. Since the data collected are yet being processed, it has not been possible to incorporate the same in this Report. The data on earnings collected during the Survey, therefore, relate to only four categories of workers viz., 'Professional, Technical and Related Personnel', 'Administrative, Executive and Managerial Personnel', 'Clerical and Related Workers (including Supervisory)' and 'Watch and Ward and Other Services'. This information relates to the pay period preceding the specified date i.e., 31st March, 1965 and is in respect of workers covered under the Factories Act, 1948. The details appear in Statement 3.1.

#### STATEMENT 3.1

*Estimated Average Daily Earnings of Workers\* by Broad Occupational Group in the Hydrogenated Oil Industry*  
(March, 1965)

(In Rupees)				
Size-Group	Professional, Technical and Related Personnel	Administrative, Executive and Managerial Personnel	Clerical and Related Workers (including Supervisory)	Watch and Ward and Other Services
1	2	3	4	5
1. Large Factories ..	16.24	40.55	8.26	3.01
2. Small Factories ..	21.53	22.62	11.71	3.96
3. All Factories ..	17.32	35.49	8.98	3.25

\*Covered under the Factories Act, 1948.

It would be seen from the Statement (3.1) that at the industry level, the average daily earnings of personnel in the 'Administrative, Executive and Managerial' group were the highest (Rs. 35.49) while of those in the 'Watch and Ward and Other Services' group were the

lowest (Rs. 3.25). As regards 'Professional, Technical and Related Personnel', their average daily earnings were Rs. 17.32 and of those employed as 'Clerical and Related Workers' were Rs. 8.98. It was significant to note that except in the case of 'Administrative, Executive and Managerial Personnel' whose average daily earnings in large factories were substantially higher than those in small factories, the position was just the reverse in the case of the other three categories of workers.

As regards the pay-period of the aforesaid four categories of employees, it was observed that all the Hydrogenated Oil factories surveyed were paying them on a monthly basis.

### 3.1.2. Average Daily Earnings of All Workers.

Following Statement 3.2 shows the average daily earnings, by components, of all workers during 1965 in the Hydrogenated Oil factories in the country. The information is based on returns received under the Payment of Wages Act, 1936, and relates to employees earning less than Rs. 400 per month and employed in factories as defined under Section 2(m) of the Factories Act, 1948 i.e., factories employing (i) 10 or more workers and using power and (ii) 20 or more workers and not using power. It may be mentioned that since the data have been compiled for factories submitting returns, they are subject to errors of non-response. Under the Payment of Wages Act, 1936, figures are separately collected for total earnings (before deductions) of employees covered under the Act and the corresponding total man-days worked. Average daily earnings are derived by dividing the former by the latter.

#### STATEMENT 3.2

#### *Average Daily Earnings of All Workers by Components in the Hydrogenated Oil Industry (1965)*

Component						Average Daily Earnings	Percentage
1						2	3
						Rs.	
(1) Basic Wages	..	..	..	..	..	4.25	57.6
(2) Cash Allowances including dearness allowance	..	..	..	..	..	2.52	34.1
(3) Bonus	..	..	..	..	..	0.58	7.9
(4) Money Value of concessions	..	..	..	..	..	—	—
(5) Arrears	..	..	..	..	..	0.03	0.4
Total						7.38	100.0

It would appear from the Statement that basic wages alone accounted for about 58 per cent. of the total earnings, followed by cash allowances (34 per cent.) and bonus (8 per cent.). The contribution of arrears was negligible.

### 3.2. Dearness Allowance

The Survey results show that dearness allowance in addition to basic wage was being paid in about 46 per cent. of the Hydrogenated Oil factories in the country, representing 40 per cent. of large and 50 per cent. of small factories. Of the units paying a separate dearness allowance, half were paying it according to income slabs while in the remaining half (comprising one large and one small factory), it was linked with the consumer price index number. In the large factory, the dearness allowance was linked with Jalgaon Index (Base: 1939=100) while in the small factory it was linked with the Bombay Index (Base: August, 1963=100).

### 3.3. Other Allowances

#### 3.3.1. Production/Incentive Bonus

The Survey results show that the practice of paying production/incentive bonus was not common in the Hydrogenated Oil Industry. Only two factories surveyed (one large and one small), constituting about 16 per cent. of the factories at the Industry level, were found to be paying incentive bonus to their employees. In the large factory the bonus was being paid to professional as well as production workers if production of Hydrogenated Oil was more than 1140 tonnes per year. The rate of bonus was Rs. 7.50 per tonne over and above the minimum target. In the small factory, all categories of workers were entitled to production/incentive bonus at the rate of Rs. 5 per tonne of hydrogenated oil produce over and above the target of 100 tons (i. e., 101.6 tonnes).

#### 3.3.2. Night Shift Allowance

...

Excepting one small factory, no other unit surveyed was paying night shift allowance to its employees. In the small factory, this allowance was paid to production workers and supervisory staff for night shift work. For production workers, the rate of payment was Re. 0.19, per shift for the first shift (i.e., 3 P.M. to 11 P.M.) and Re. 0.31 per shift for the second shift (i.e., 11 P.M. to 7 A.M.). The rate of payment for the supervisory staff was uniformly 20 per cent. of the salary.

#### 3.3.3. House Rent Allowance

The Survey has revealed that house rent allowance to workers not allotted any accommodation by the management was being paid in about 32 per cent. of the units in the country, of which large factories accounted for 40 per cent. and small factories 25 per cent. In the large factories, this allowance was being paid to professional, technical, clerical and production workers. The rate of payment varied from Rs. 10 to Rs. 100 per month depending upon the discretion of the management. As regards small factories, of the two factories where this allowance was paid, in one all workers who were not allotted houses by the management were paid house rent allowance at the rate of 12½ per cent. of basic salary while in the other factory, it was paid only to technical personnel at the discretion of the management at the rate of Rs. 50 per month.

### 3.3.4. *Transport Allowance*

During the Survey, only two small factories in the country were found to be paying transport or conveyance allowance to their clerical and administrative staff. At the all-India level, these two factories constituted hardly 14 per cent. of the Hydrogenated Oil factories. In one of the units, this allowance was restricted to those employees who were coming for duty from out-stations and the amount was limited to III class rail fare for clerical and I class rail fare for administrative staff. In the other unit, conveyance allowance at the rate of Rs. 25 per month was paid to administrative staff only at the discretion of the management.

### 3.3.5. *Attendance Bonus*

One of the large factories surveyed was found to be paying attendance bonus to its 'Production and Related Workers' who were employed in the Boiler Section. The rate of payment of such bonus was Re. 0.25 per day provided the worker concerned did not remain absent without permission and did not avail more than two days' casual leave in a month.

### 3.3.6. *Other Cash Allowances*

Other allowances, such as special allowance and shift allowance, were being paid to workers in two small factories surveyed, constituting about 14 per cent. of the Hydrogenated Oil factories in the country. In one of the factories, a special allowance of Rs. 8 per month was being paid to all workers drawing basic salary up to Rs. 500 P.M. The other factory paid shift allowance to its hourly-rated 'Production Workers' as well as monthly-rated clerical, watch and ward and professional and technical personnel at the rate of 12½ per cent. and 7½ per cent. of the monthly basic wages pay respectively.

## 3.4. *Bonuses*

During the course of the Survey information was collected in respect of different types of bonuses being paid to the workers in the Hydrogenated Oil Industry. The Survey revealed that excepting Annual or Year-end Bonus, no other bonus like Profit Sharing Bonus or Festival Bonus, etc., was being paid to the employees in any of the sampled units.

It is estimated that about 86 per cent. of the Hydrogenated Oil factories in the country were paying annual/year-end bonus to their employees. As between large and small factories, it was found that all the large factories surveyed and three-fourths of the small factories were paying this bonus. The Schemes were regular in 53 per cent. of the factories paying bonus while in the remaining 47 per cent., they were of an *ad hoc* nature. In about 84 per cent. of the factories paying bonus, the payment was being made on the basis of voluntary agreements between the workers and the managements, while in the remaining 16 per cent., it was based on adjudication awards (8 per cent.) and discretion of the management (8 per cent.). Generally, all workers were entitled to this bonus. As regards conditions of eligibility and rate of payment, these varied from unit to unit. For example, completion

of service ranging from 30 to 240 days was the condition for eligibility to bonus payment in some of the units. In some others, the payment of bonus was restricted to permanent employees only. The mode of payment was cash in all the cases.

### 3.5. *Fines and Deductions*

The information collected during the present Survey has revealed that the practice of imposing fines on workers was in vogue in only two sampled units—one large and one small—representing about 16 per cent. of all the units in the Industry. It was found that in both the cases the amount of fines imposed was within the limit prescribed under the Payment of Wages Act, 1936, and the list of acts of commission or omission for which fines were imposed was duly approved by the prescribed authority. Such list was displayed on notice boards. Both the units imposing fines were maintaining fines register but no fines fund existed in the large factory. In the small factory, there was a fines fund which was utilized for the welfare of the employees.

So far as deductions on account of damages, etc from wages of workers were concerned, none of the Hydrogenated Oil factories surveyed were found to be making any such deductions.



## CHAPTER IV

### WORKING CONDITIONS

#### 4.1. Shifts

The Survey has shown that all large factories and three-fourths of the small factories surveyed were working three shifts daily. At the Industry level, the percentage of factories working three shifts was about 86. Of the rest, 7 per cent, each were having one shift and four shifts daily. All those factories which worked three or four shifts had invariably a night-shift. Details are set out in Statement 4.1.

#### STATEMENT 4.1

*Estimated Percentage of Hydrogenated Oil Factories According to  
Number of Shifts*  
(1965-66)

Size-Group		Number of Factories	Percentage of Factories having				Percentage of Factories having Night Shift
			One shift	Two shifts	Three shifts	Four shifts	
1		2	3	4	5	6	7
1. Large Factories	..	13	—	—	100.0	—	100.0
2. Small Factories	..	17	12.5	—	75.0	12.5	87.5
3. All Factories	..	30	7.1	—	85.8	7.1	92.9

It was observed that excepting one small factory where night-shift allowance was being paid to workers, none of the other factories was providing any amenity like free tea, reduction in working hours, etc., to the night shift workers. However, a regular system of transferring workers from day shift to night shift and *vice versa* existed in all the units having night shifts. In about 91 per cent. of such units, the change-over was weekly and in the rest (about 9 per cent.), it was fortnightly.

#### 4.2. Hours of Work

Since the passing of the Factories Act, 1948, the hours of work for adult workers have been fixed at a maximum of 48 per week and 9 per day. The Chief Inspectors of Factories have been empowered to grant exemption from the above limit of daily hours of work in order to facilitate the change over in any factory. The data collected during the Survey show that the daily hours of work for majority of adult workers were more than 7 and up to 7½ in about 23 per cent. of the

\*For the purposes of the Survey, a night-shift was treated as the one whose majority of working hours fell between 10 P.M. and 6 A.M.

factories, more than  $7\frac{1}{2}$  and up to 8 in about 44 per cent. of the factories, more than 8 and up to  $8\frac{1}{2}$  in about 26 per cent. and more than  $8\frac{1}{2}$  and up to 9 in the remaining factories. The weekly hours of work did not exceed 48 in any of the factories surveyed; in fact, in about 23 per cent. of the factories, the weekly hours of work were between 42 and 45. Details appear in Statement 4.2.

#### STATEMENT 4.2

##### *Daily Hours of Work in the Hydrogenated Oil Industry (1965-66)*

Size-Group	Number of Factories	Estimated Percentage of Factories Where Daily Hours of Work for Majority of Adult Workers were			
		More than 7 hours and up to $7\frac{1}{2}$ hours	More than $7\frac{1}{2}$ hours and up to 8 hours	More than 8 hours and up to $8\frac{1}{2}$ hours	More than $8\frac{1}{2}$ hours and up to 9 hours
1	2	3	4	5	6
1. Large Factories ..	13	20.0	20.0	60.0	—
2. Small Factories ..	17	25.0	62.5	—	12.5
3. All Factories ..	30	22.8	44.1	26.0	7.1

As mentioned earlier in this Report, about 40 per cent. of the Hydrogenated Oil factories in the country employed contract labour, which accounted for about 10 per cent. of the total 'Production Workers'. The Survey revealed that the hours of work for contract workers were, more or less, the same as for direct labour. In none of the units surveyed, the contract labour was found to be working for more than 8 hours a day and 48 hours a week.

In the case of night shifts, all the units surveyed were found to be working between 6 and 8 hours a day.

As regards the practice prevailing at the time of the Survey in respect of spread-over and rest-intervals in the Hydrogenated Oil Factories, the data collected appear in Statement 4.3.

#### STATEMENT 4.3

##### *Estimated Percentage Distribution of Hydrogenated Oil Factories According to Duration of Spread-Over and Rest-Interval, etc. (1965-66)*

Size-group	Number of Factories	Percentage of Factories Where					
		Spread-over for Adult Workers was		Rest-Interval for Adult Workers was			
		More than $7\frac{1}{2}$ hours and up to $8\frac{1}{2}$ hours	More than $8\frac{1}{2}$ hours and up to $9\frac{1}{2}$ hours	$\frac{1}{2}$ hour and less	More than $\frac{1}{2}$ hour and up to $\frac{3}{4}$ hour	More than $\frac{3}{4}$ hour and up to 1 hour	No rest Interval
1	2	3	4	5	6	7	8
1. Large Factories	13	40.0	60.0	20.0	—	60.0	20.0
2. Small Factories	17	62.5	37.5	37.5	12.5	25.0	25.0
3. All Factories	30	52.7	47.2	29.9	7.1	40.2	22.8

It is apparent from the Statement (4.3) that in about 53 per cent. of the factories at the Industry level, the spread-over was more than 7½ hours and up to 8½ hours while in the remaining about 47 per cent. it was more than 8½ hours and up to 9½ hours during the day shift. The duration of rest-interval was up to half an hour in about 30 per cent. of the units in the Industry, as a whole, and more than half an hour and up to one hour in about 47 per cent. In the remaining 23 per cent. of the units, no rest-interval was allowed to the workers.

In all the factories having night-shifts, the spread-over was up to 8 hours. The duration of rest-interval for night shift workers was less than half an hour in about 8 per cent. of these factories and, in the remaining 92 per cent. of the factories no rest interval was allowed.

#### 4.3. *Dust and Fumes*

The Survey results have revealed that dusty processes were noticed in about 7 per cent. of the Hydrogenated Oil factories. These processes were restricted to the handling of bleaching powder in Bleaching Departments. Besides isolation of dusty processes from other processes, all the factories had provided local exhaust ventilation also.

As regards fumes, processes giving off fumes such as superheated boiling, cooling of vanaspathi in ammonia cooling plant, electrolytic decomposition of water into Hydrogen and Oxygen etc., were being carried out in about 53 per cent. of the factories. It was observed that the above processes had generally been isolated from other processes and general and/or local exhaust ventilation had also been provided. Gas-masks were also being supplied in most of the factories. It was also observed that the manufacture of Hydrogen was carried on in air-tight tubes and cylinders because Hydrogen (being inflammable) was not allowed to diffuse in air and this obviated the provision of respiratory protective equipment. In the Cell Room Boiler Department, the workers were found to be using towel cloth as a safeguard against fumes coming out in the process of superheated boiling of oil.

The housekeeping i.e., dusting, cleaning and arrangement of articles etc., was generally good in all the units where dusty or fume-giving processes were carried on.

#### 4.4. *Seating Arrangements*

Under the Factories Act, 1948, the managements are required to make suitable arrangements for sitting for all such workers as are obliged to work in a standing position so that they may take advantage of any opportunity for rest which may occur in the course of work. This aspect was enquired into during the course of the present Survey and it was found that, in all the Hydrogenated Oil factories surveyed, the workers were obliged to work in a standing position and, out of them, about 84 per cent. had provided seating arrangements for all workers. The managements of the defaulting factories stated that production would suffer if seating arrangements were provided for the workers.

#### 4.5. *Conservancy*

The Factories Act, 1948, has made it obligatory for every factory to maintain an adequate number of latrines and urinals of a prescribed standard for the use of workers. The Survey results show that all

the Hydrogenated Oil factories surveyed had provided latrines for the use of their workers. The latrines provided were of water-borne septic tank type in about 54 per cent. of the factories, water-borne sewers in about 23 per cent., dry-type bore holes in about 14 per cent. and dry-type pans in the remaining 9 per cent. of the factories. Everywhere, the privies were of a permanent structure with plastered or tarred walls and impervious floors. All the latrines were properly screened and in about 86 per cent. of the factories, water-taps were also provided in or near the latrines. Among the factories providing latrines and employing female workers, none had made separate arrangements for them.

At the Industry level, urinals were provided in about 93 per cent. of the factories, the defaulting units being small factories. Out of the factories providing urinals, about 92 per cent. had permanent structures with impervious flooring. It was observed that about 8 per cent. of the factories, having temporary structures for urinals, did not have impervious floors. The walls of all the urinals (i.e., both temporary and permanent structures) were either plastered (57 per cent.) or tarred (43 per cent.). None of the factories providing urinals and employing women had made separate arrangements for them.

As regards the number of latrines and urinals, it was found that these were inadequate in about 17 and 60 per cent. of the factories respectively.

#### 4.6. *Leave and Holidays with Pay*

Annual leave (i.e., earned leave) with pay is the only leave facility which is required to be granted by the employers to their employees as a statutory obligation under the Factories Act, 1948. Some of the State Governments have also passed laws for the grant of paid national and festival holidays to persons employed in industrial establishments. All other types of leave facilities have come in vogue either as a result of mutual agreements between the employees and the employers or as a consequence of adjudication awards. Statement 4.4 shows the different types of leave and holidays that the workers in the Hydrogenated Oil Industry were enjoying at the time of the Survey.

#### STATEMENT 4.4

#### *Estimated Percentage of Hydrogenated Oil Factories Granting Various Types of Leave and Holidays with Pay*

(1965-66)

Size-Group	Total Number of Factories	Percentage of Factories Granting			
		Earned Leave	Casual Leave	Sick Leave	National and Festival Holidays
1	2	3	4	5	6
1. Large Factories ..	13	100.0	60.0	40.0	100.0
2. Small Factories ..	17	100.0	50.0	25.0	100.0
3. All Factories ..	30	100.0	54.3	31.5	100.0

#### 4.6.1. *Earned Leave*

It is estimated that all the Hydrogenated Oil factories in the country were granting earned leave with pay to their employees. As regards the period of leave, qualifying conditions and rate of payment, the managements generally followed the provisions of the Factories Act, 1948 in these regards.

In order to assess the extent to which the workers had actually enjoyed the benefit of earned leave, data were collected during the course of the present Survey in regard to the number of workers who availed of leave during 1964. The findings appear in Statement 4.5.

#### STATEMENT 4.5

#### *Estimated Number of Workers Granted Earned Leave with Pay in the Hydrogenated Oil Industry*

(During 1964)

Size-Group	Average Daily Number of Workers Employed	Number of Workers who Enjoyed Leave	Percentage of Workers who Enjoyed Leave to the Total Employed	Percentage of Workers who Enjoyed Leave	
				Up to 5 Days	Over 5 and up to 10 Days
1	2	3	4	5	6
1. Large Factories ..	7,375	6,151	83.4	11.4	15.7
2. Small Factories	24,03	1,305	54.3	9.3	12.9
3. All Factories	9,778	7,456	76.3	10.8	15.2

Size-Group	Percentage of Workers who Enjoyed Leave				
	Over 10 and up to 15 Days	Over 15 and up to 20 Days	Over 20 and up to 25 Days	Over 25 and up to 30 Days	Over 30 Days
1	7	8	9	10	11
1. Large Factories ..	33.7	14.3	7.8	7.8	9.3
2. Small Factories	37.2	14.7	7.6	12.9	6.4
3. All Factories	34.3	14.4	7.8	8.7	8.8

The Statement (4.5) shows that nearly 76 per cent. of the workers in the Hydrogenated Oil factories in the country availed of earned leave with pay during 1964. The proportion of workers who enjoyed

leave was higher (83 per cent.) in large factories as compared to small factories (54 per cent.). As regards the duration of leave availed, it was observed that, at the Industry level, 26 per cent. of the workers enjoyed leave up to 10 days, about 34 per cent. for over 10 and up to 15 days, and about 14 per cent. for over 15 and up to 20 days. The rest of the workers (about 26 per cent.) enjoyed relatively longer periods of leave, i.e., over 20 days.

#### 4.6.2. *Casual Leave*

Besides annual leave with wages, workers in about 54 per cent. of the Hydrogenated Oil factories in the country (Statement 4.4) were also enjoying the facility of casual leave with pay. The proportion of factories allowing casual leave was higher in large size group as compared to those in the small size group. In about 39 per cent. of the factories, the facility was admissible to all workers and, in the rest, to all except watch and ward staff. In about 84 per cent. of the units granting casual leave, it was allowed up to 10 days in a year while in the remaining about 16 per cent., the limit was 15 days. None of the small factories surveyed was found to be allowing more than 10 days of casual leave to its workers. As regards the conditions attached to the grant of such leave, it was observed that in about 13 per cent. of the units, such leave was granted to permanent workers only and, in another 13 per cent. to only those workers who had put in six months' service. In the remaining about 74 per cent. of the establishments, no condition was attached to the grant of casual leave. Full consolidated wages or basic pay and dearness allowance were payable to the workers for the period of casual leave in all such factories.

#### 4.6.3. *Sick Leave*

In areas where the Employees' State Insurance Scheme has been implemented, the benefit of sick leave with wages is ordinarily available to the employees covered under the said Scheme. During the course of the present Survey, information regarding sick leave was collected from those units only where the sick leave facility was being granted by the managements irrespective of the fact whether they were covered under the Employees' State Insurance Scheme or not. On the basis of the information collected during the Survey, it is estimated that in about 32 per cent. of the factories, comprising 40 per cent. of large and 25 per cent. of small units, workers were enjoying the facility of sick leave with pay (vide Statement 4.4). In nearly 72 per cent. of the units granting sick leave, the benefit was admissible to all categories of workers while in the rest (i.e., about 28 per cent.) such facility was not available to production workers. The only condition attached to the grant of sick leave was production of a medical certificate in all the units. The number of days in a year for which sick leave was admissible differed from unit to unit and from one category of workers to other. Broadly speaking in about 77 per cent. of the units the duration of sick leave was up to 15 days in a year and in the rest it was more than 15 days. As regards payment for the period of leave, about 28 per cent. of the units were paying full consolidated wages, about 22 per cent. full basic wages plus dearness allowance and about 28

per cent. half basic pay plus dearness allowance. In the remaining units (i.e., about 22 per cent.), the workers were paid only the difference between their normal wages and the amount payable by the Employees' State Insurance Corporation.

#### *4.6.4. Other Types of Leave*

Only one of the small Hydrogenated Oil factories surveyed was granting Bonus Leave to all categories of workers on completion of 240 days' attendance in a year at the rate of one day for every six days worked. During the leave period, the workers were entitled to receive their basic wage, dearness allowance and shift allowance.

#### *4.6.5. National and Festival Holidays*

The practice of granting national and/or festival holidays with pay existed in all the Hydrogenated Oil factories covered during the Survey. In about 84 per cent. of the units, the benefit was enjoyed by all workers while, in the rest, one or more categories of workers including Production Workers were entitled to it. As regards conditions attached to the grant of national and/or festival holidays, no condition was attached in about 86 per cent. of the units while, in the rest, they were not granted to daily-rated workers. In all the factories granting national/festival holidays, workers were entitled to their full normal wages for such days.

#### *4.7. Weekly off*

All the factories in the Industry were found to be granting weekly off to their employees. Such offs were with pay except in the case of daily-rated workers.

## CHAPTER V

### WELFARE AND AMENITIES

The human approach to the problems of industrial labour has been increasingly in evidence in all countries, including India, for the last few decades. Various committees or commissions appointed in India, from time to time, for enquiring into the conditions of industrial labour, have never failed to pin-point the urgency and utility of ameliorative measures for promoting the welfare of workers. Government legislation has been quick in response and the various enactments passed thereby have gone a long way in improving the lot of the working class. Besides facilities provided in compliance with the law, many welfare measures have been undertaken voluntarily by the employers for the benefit of their employees.

During the present Survey, an attempt was made to assess the extent of welfare facilities being enjoyed by workers in the Hydrogenated Oil Industry. Information collected in respect of both obligatory and non-obligatory facilities is presented in the following paragraphs.

#### 5.1. Drinking Water Facilities

Suitable arrangements for the supply of drinking water were found to be existing in all the units surveyed. Such facilities were in the form of water taps in about 31 per cent. of the factories, earthen pitchers in about 16 per cent., buckets or drums in about 7 per cent. and a combination of one or more of these methods in the remaining about 46 per cent. of the factories. It was observed that in all the factories providing drinking water through earthen pitchers, drums, etc., the condition of the receptacles was clean. Details appear in Statement 5.1.

STATEMENT 5.1  
*Drinking Water Facilities in the Hydrogenated Oil Industry*  
(1965-66)

Size-Group	Total Number of Factories	Estimated Percentage of Factories where Drinking Water Facility Existed	Estimated Percentage of Factories Where Water was Supplied through				Estimated Percentage of Factories having arrangements for cooled water during Summer
			Taps only	Earthen Pitchers only	Buckets or Drums only	Combination of one or more viz. earthen pitchers, tube wells, taps etc.	
1	2	3	4	5	6	7	8
1. Large Factories ..	13	100.0	40.0	20.0	—	40.0	100.0
2. Small Factories	17	100.0	25.0	12.5	12.5	50.0	100.0
3. All Factories	30	100.0	31.5	15.7	7.1	45.7	100.0



The Factories Act, 1948, prohibits the location of any drinking water point within 20 feet of latrines and urinals. The Survey has shown that in all the units the provision of law had been complied with.

The Factories Act, 1948, provides that every factory employing more than 250 workers should supply drinking water cooled by ice or other effective method during certain specified part of the year. On the basis of data collected during the Survey, it is estimated that about 50 per cent. of the factories in the country were under a statutory obligation to provide cooled water. These comprised all large and about 12 per cent. of small factories. All of them had duly complied with this requirement of law. It is significant to note that all other units, which though employed less than 250 workers, had also made arrangements for providing cool water during summer and thus, in the Industry as a whole, such arrangements existed in all the Hydrogenated Oil Factories in the country. Arrangements made were in the form of earthen pitchers, iced water or refrigerated water.

### 5.2. *Washing Facilities*

Section 42 of the Factories Act, 1948, provides that adequate and suitable facilities for washing should be provided and maintained for the use of workers in every factory. Information collected shows that all the units in the Industry had provided this facility. Washing facilities were in the form of taps on stand pipes in about 54 per cent. of the factories, wash basins with taps in about 16 per cent. and a combination of one or more methods in the remaining about 30 per cent. The Survey has also revealed that some cleansing material like soap, etc., was being supplied to workers in all the factories. In none of the units surveyed, separate washing places for women were found to be existing although about 23 per cent. of them employed such workers.

### 5.3. *Bathing Facilities*

It was found during the course of the Survey that about 70 per cent. of the Hydrogenated Oil factories in the country, comprising about 80 per cent. of large and 62 per cent. of small factories, had provided bathing facilities for their workers. None of the units employing women had provided separate bathing facilities for them. Bathing places, wherever provided, were generally clean.

### 5.4. *Canteens*

Section 46 of the Factories Act, 1948, lays down that the State Governments may make rules requiring that in any specified factory, wherein more than 250 persons are ordinarily employed, an adequate canteen, according to the prescribed standards, should be provided for the use of workers. Information collected during the Survey shows that all the large factories surveyed and about 12 per cent. of the small factories (or about 50 per cent. of the factories in the Industry) were under a statutory obligation to provide canteen facilities. Out of these, 80 per cent. of the large factories and all the small factories or about 83 per cent. of the factories obliged to do so, had complied with the legal requirement. In addition, about 38 per cent. of small factories even though not under any statutory

obligation had also provided canteens. Thus, at the Industry level, 63 per cent. of the Hydrogenated Oil factories in the country had provided canteens.

About 66 per cent. of the factories having canteens served tea, coffee and snacks while, in the rest, arrangements existed for the sale of meals as well. As regard the rates charged, the principle of 'no-profit, no-loss' was being followed in about 52 per cent. of the factories having canteens while in about 36 per cent. market rates were charged. The remaining factories having canteens (about 12 per cent.) were supplying free tea to their employees. Adequate drinking water arrangements existed in all the canteens. Nearly 36 per cent. of the canteens were being run by the management, an equal number (36 per cent.) by contractors and 14 per cent. each by the workers only and jointly by managements and workers. Canteen Managing Committees had been constituted in nearly 25 per cent. of the factories having canteens and the price-lists of various items sold, duly approved by these Committees, had been displayed in all of them. In about 22 per cent. of the factories having canteens, the managements were giving subsidy to canteens. Of the total estimated number of workers (i.e., 9,236) employed in the Hydrogenated Oil factories having canteens, nearly 52 per cent. were estimated to be visiting the canteens daily.

It was also observed during the Survey that in about 86 per cent. of the units having canteens, the location of the canteens was good. As regard hygienic conditions of the canteens, they were either good or satisfactory in about three-fourths of the units having canteens. In the remaining one-fourth, the hygienic conditions of the canteens left much to be desired.

### 5.5. *Creches*

With the passing of the Factories Act in 1948, it became obligatory for all factories employing more than 50 women workers to maintain a creche of a prescribed standard. Of the Hydrogenated Oil factories employing women and covered in the Survey, in only one large unit their number exceeded 50. This large unit was found to have provided a creche. The creche was located in a small room and had four cradles. There was nobody to look after the children. The lighting and ventilation of the creche were also reported to be unsatisfactory.

### 5.6. *Lockers*

Lockers facilities for keeping clothings of the workers were found to be existing in about 30 per cent. of the Hydrogenated Oil factories in the country, comprising 20 per cent. of large and about 38 per cent. of small factories.

### 5.7. *Rest Shelters*

Maintenance of rest shelters is obligatory under the Factories Act, 1948 for every factory wherein more than 150 workers are ordinarily employed. However, if the factory is maintaining a canteen of the prescribed standard, the provision of a separate rest shelter is not compulsory. It is estimated, on the basis of the data collected

during the Survey, that the provision of a rest shelter was obligatory in about 16 per cent. of the Hydrogenated Oil factories in the country (comprising one large and one small factory) as they employed more than 150 workers and had no canteens either. However, neither of these had provided rest shelters. As regards reasons for not providing rest shelters, the large factory attributed it to lack of space while the management of the small factory did not give any specific reason. It was, however, noticed that about one-third of the factories had voluntarily provided rest shelters. The rest shelters were generally found to be sufficiently ventilated and lighted and afforded adequate protection against bad weather. They were also being kept in a tidy condition and some furniture had also been provided.

### 5.8. *Recreation Facilities*

Information collected during the course of the Survey reveals that 37 per cent. of the factories in the Industry, comprising 20 per cent. large and 50 per cent. small, were providing some recreation facilities to their employees. Besides facilities for outdoor games which existed in all these units, about 81 per cent. of the factories had arrangements for indoor games as well. They had also installed radio sets and were also organising film shows. About 62 and 39 per cent. of the units were organising dramas and religious/social functions respectively. In nearly 57 per cent. of the factories having recreation facilities, the cost of such facilities was being met exclusively by the managements while, in the remaining about 43 per cent., these facilities were being financed jointly by the managements and the workers. In about 57 per cent. of the factories, the facilities were available to all workers while the rest afforded opportunities for recreation to only those who paid some subscription. The facilities provided were being managed through Committees consisting of representatives of workers and management in about 81 per cent. of the factories and in the rest (i.e. about 19 per cent.) directly by the management.

### 5.9. *Educational Facilities*

Arrangements for the education of workers' children existed in only one small factory surveyed. This factory had provided a primary school exclusively for the workers' children. In this school, fee was charged from the children and no facility like free supply of books, slates, pencils, etc., was provided. It was, however, observed that about 32 per cent. of the factories, comprising 40 per cent. of large and 25 per cent. of small factories, were giving regular subsidies to some schools for the education of workers' children. None of the factories surveyed was running adult education centre.

### 5.10. *Medical Facilities*

Except for first-aid boxes and ambulance rooms, the law does not require employers to provide any other medical facility. However, during the course of the Survey, it was found that about 32 per cent. of the factories in the Hydrogenated Oil Industry, comprising 40 per cent. large and 25 per cent. small, had dispensaries attached to them. Out of these, about 28 per cent. had appointed full-time doctors while in the remaining about 72 per cent., the dispensaries were under the charge of part-time doctors. The part-time doctors were available for 6 to 12 hours in a week in about 38 per cent. of

the factories having dispensaries and in the rest (about 62 per cent.), the doctors were on duty for more than 12 hours and up to 18 hours in a week. Other staff appointed generally included compounders, sweepers, peons, etc. Apart from having attached dispensaries, about 25 per cent. of the factories had made arrangements for the treatment of their workers elsewhere in the nature of contracts with individual doctors or dispensaries. Thus, arrangements for medical treatment of workers existed in nearly 57 per cent. of the Hydrogenated Oil factories in the country.

The Survey has also revealed that, out of the factories employing contract labour, about 78 per cent. provided medical facilities to such labour and, in about 55 per cent. of the units, the facilities available to contract labour were similar to those provided to direct labour.

#### 5.10.1. Ambulance Rooms

Under the Factories Act, 1948, every factory employing more than 500 workers is required to provide and maintain an ambulance room. The rules framed by the State Governments prescribe the standard as well as equipment of such rooms. Of the factories covered in the Survey, only one large factory was under a statutory obligation to provide an ambulance room but it had not done so. The reason for this appears to be the existence of a dispensary attached to the factory under the charge of a full-time doctor. No other unit had provided the ambulance room voluntarily.

#### 5.10.2. First-Aid Boxes

The Factories Act, 1948, lays down that every factory should maintain first-aid boxes at the rate of one for every 150 workers ordinarily employed. Such boxes must contain the prescribed items and should be readily accessible to workers during all the working hours. The Factories Act also provides that all first-aid boxes must be kept under the charge of trained first-aiders. The Survey results show that all small and 80 per cent. of the large factories or about 91 per cent. of the factories in the country were maintaining first-aid boxes. Out of the units providing first-aid boxes, in about 42 per cent. all the boxes were under the charge of trained personnel while, in about 33 per cent., some of the boxes were under their charge. All the trained first-aiders appointed in the Hydrogenated Oil Industry were found to have received training under the St. John Ambulance. In the remaining units (i.e., 25 per cent.), none of the first-aid boxes were under the charge of trained first-aiders. In about 91 per cent. of the cases, the contents of these boxes were found to be complete, and, in the remaining 9 per cent., first-aid boxes were found to be deficient in one or more items.

#### 5.11. Transport Facilities

The workers in the Hydrogenated Oil Industry were usually not given any transport facility by the managements from their houses to factory and back. The Survey revealed that only two of the small factories surveyed were giving transport allowance to certain employees in lieu of transport facility.

### 5.12. Other Amenities

The Survey results indicate that about 40 per cent. of the large factories, comprising about 17 per cent. of all factories at the Industry level, were running grain shops for the benefit of their workers. In half of these cases, the commodities were sold at cost price while, in the remaining half, the articles were sold at controlled rates.

Co-operative societies were functioning in about 32 per cent. of the factories in the Industry, comprising about 40 per cent. of large and about 25 per cent. of small factories. These were generally credit societies or co-operative stores. In one of the small factories surveyed, a housing society was also functioning. About half of the factories were giving some financial aid to these co-operative societies.

### 5.13. Housing Facilities

It is estimated that, at the time of the present Survey, nearly 79 per cent. of the Hydrogenated Oil factories in the country had provided housing accommodation to their workers. While all the large factories surveyed had provided housing accommodation to their workers, the percentage of small factories providing houses was about 62. Details about the type of accommodation provided, rent charged, etc., are presented in Statement 5.2.

#### STATEMENT 5.2

#### *Estimated Percentage of Workers Allotted Houses in the Hydrogenated Oil Industry (1965-66)*

Size-Group	Number of Factories	Percentage of Factories Providing Houses	Percentage of Houses consisting of		
			One Room	Two Rooms	Three Rooms
1	2	3	4	5	6
1. Large Fac- tories ..	13	100.0	66.2	21.1	9.0
2. Small Fac- tories	17	62.5	64.0	19.5	13.7
3. All Factories	30	78.7	65.7	20.7	10.1

  

Size-Group	Percentage of Houses consisting of		Percentage of Factories which		
	Four Rooms	More than Four Rooms	Charged no rent at all	Charged rent from all	Charged rent only from some emp- loyees
1	7	8	9	10	11
1. Large Fac- tories	3.4	0.3	80.0	—	20.0
2. Small Fac- tories	2.8	—	80.0	20.0	—
3. All Factories	3.3	0.2	80.0	9.0	11.0

The Statement (5.2) shows that the houses provided by the managements were predominantly one-room tenements which accounted for about 66 per cent. of the total houses provided. The proportion of such houses in large and small establishments was, more or less, similar. Two-room houses formed nearly 21 per cent. of the total houses provided, while those houses having three rooms or more accounted for about 13 per cent. It is significant to note that the proportion of houses having three rooms or more was higher in small factories than that in the large ones. One-room tenements were usually allotted to production workers and watch and ward staff, two-room tenements to clerical and supervisory production workers and houses consisting of three or more rooms were generally allotted to professional, technical and managerial personnel. About 84 per cent. of the houses were *pucca*-built while the rest were *kutchha*. The accommodation was rent-free in about 80 per cent. of the large and small factories providing houses. In the rest, rent was charged either from all categories of workers or from some workers only.

It is estimated that of the 11,296 workers employed in the Industry and covered under the Factories Act, 1948, about 15 per cent. had been provided house by the employers. As between the two size-groups, the corresponding proportion was more (17.4 per cent.) in small factories as compared to large ones (14.4 per cent.). Details appear in Statement 5.3.

#### STATEMENT 5.3

##### *Estimated Percentage of Workers Allotted Houses in the Hydrogenated Oil Industry (1965-66)*

Size-Group	Number of Factories	Number of Workers Employed* as on 31-3-1965	Percentage of Workers Allotted Houses
1	2	3	4
1. Large Factories ..	13	8,814	14.4
2. Small Factories ..	17	2,482	17.4
3. All Factories ..	30	11,296	15.1

\*Covered under the Factories Act, 1948.

None of the units surveyed was providing any facility, whatsoever, to its employees for building their own houses.

## CHAPTER VI

### SOCIAL SECURITY

Prior to the attainment of Independence, factory workers in the country enjoyed social security only to a limited extent which was mainly in the shape of compensation for industrial accidents under the Workmen's Compensation Act, 1923. Women workers, in addition, were entitled to maternity benefits under State Laws. However, after Independence, there has been a considerable enlargement of the scope and content of social security benefits, largely as a result of adoption of such statutory measures as the Employees' State Insurance Act, 1948, and the Employees' Provident Funds Act, 1952, and also to a certain extent as a result of adjudication awards. The following paragraphs describe briefly the existing position in this regard in the Hydrogenated Oil Industry as revealed by the Survey.

#### 6.1. *Provident Fund Schemes*

The results of the Survey show that provident fund schemes were in existence in about 93 per cent. of the Hydrogenated Oil factories in the country. These comprised all large and about 88 per cent. of the small factories in the Industry. Of these, in nearly 92 per cent. (representing all large and about 86 per cent. of small factories), the provident funds had been set up under the Employees' Provident Funds Scheme framed by the Government of India in 1952 and, consequently, the rate of contribution, conditions of eligibility, etc., were the same as laid down under the Scheme. The remaining about 8 per cent. of the factories, which were all small, were having their own provident fund schemes. Under these schemes, only permanent workers with a minimum of 240 days' service were covered and the rate of contribution both by the employers and the employees was 8 per cent. of the total salary. An estimated number of 7.8 thousand workers in the Industry i.e., about 69 per cent. of the total number employed, were members of provident fund schemes as on 31st March, 1965. Details about the percentage of factories having provident fund schemes, etc., appear in Statement 6.1.

#### 6.2. *Pension Schemes*

The Survey results show that none of the units surveyed in the Hydrogenated Oil Industry was having any pension scheme for the workers.

#### 6.3. *Gratuity Schemes*

In the Hydrogenated Oil Industry, the system of paying gratuity was prevalent to a limited extent. Only 50 per cent. of the small factories, constituting about 28 per cent. at the Industry level, were paying gratuity to their employees. It is significant to note that none of the large factories surveyed were having any gratuity schemes. In all the units paying gratuity, it was payable to workers or their dependants in the event of death, retirement, voluntary resignation or termination of service by employers on grounds other than misconduct. In all the units, the schemes were regular and covered all

workers except in one unit where the scheme was confined to permanent workers only. The rate of payment and the period of qualifying service, however, differed from unit to unit. Generally, the period of qualifying service varied from 5 to 15 years and the rate of payment from 7½ days' to 45 days' wages for each completed year of service, subject to a certain maximum.

#### STATEMENT 6.1

#### *Estimated Percentage of Hydrogenated Oil Factories having Provident Fund Schemes, etc (31st March, 1965)*

Size-Group	Number of Factories	Percentage of Factories having Provident Fund Schemes	Percentage (of Col. 3) of Factories having		Total Number of Workers* Employed as on 31-3-1965	Percentage of Workers who were Members of the Provident Fund Schemes (of col. 6)
			Employeee, Provident Funds Scheme	Other Scheme		
1	2	3	4	5	6	7
1. Large Factories	13	100.0	100.0	---	8,814	72.1
2. Small Factories	17	87.5	85.7	14.3	2,482	59.9
3. All Factories	30	92.9	92.4	7.6	11,296	69.4

\*Covered under the Factories Act, 1948.

On the basis of the data collected during the present Survey, it has been estimated that, in all, 7 persons in the Industry received gratuity during the calendar year 1964.

#### 6.4. Maternity Benefits

Legislation providing for payment of cash maternity benefits for certain periods before or after confinement, granting of leave and certain other facilities, etc., to women employed in factories exists in almost all States under the various Maternity Benefit Acts passed by the State Governments. However, where the Employees' State Insurance Scheme has been put into force, the employers are absolved of their liability under the concerned Maternity Benefit Act. During the course of the Survey, it was observed that only in one of the large factories surveyed, three women workers made maternity claims during 1964. All these claims were accepted by the employers for payment.

#### 6.5. Industrial Accidents

The Workmen's Compensation Act, 1923, as amended from time to time, and the Employees' State Insurance Act, 1948, provide for payment of compensation to workers who are injured on account of accidents arising out of and in the course of employment. During the present Survey, information in respect of number and nature of industrial accidents during 1964 was collected from all the sampled factories whether covered or not under the Employees' State



Insurance Scheme. On the basis of this information, an estimated number of 543 workers in the Hydrogenated Oil Industry were involved in accidents during 1964. Perhaps a better picture can be had when the number of workers involved in accidents *vis-a-vis* the number of workers employed is taken into account. The rate of accidents per thousand workers, based on the estimate of average number employed during 1964, as also distribution of workers involved by nature of accidents, are given in Statement 6.2.

#### STATEMENT 6.2

*Estimated Proportion of Workers Involved in Accidents by Nature of Accidents in the Hydrogenated Oil Industry (1964)*

Size Group	Percentage of Factories where Accidents were Reported	Estimated Average Daily Number of Workers Employed (1964)	Number of workers involved in Accidents per 1,000 Workers Employed Resulting in			
			Death	Permanent Disability	Temporary Disability	Total
1	2	3	4	5	6	7
1. Large Factories ..	100.0	7,375	0.5	1.1	59.1	60.7
2. Small Factories ..	50.0	2,403	—	6.6	32.9	39.5
3. All Factories ..	71.7	9,778	0.4	2.4	52.7	55.5

It will be seen from the Statement (6.2) that during 1964 the rate of accidents in the Industry, as a whole, works out to about 56 per thousand workers employed. As between large and small factories, the rate of accidents was higher in large factories as compared to small ones. As regards the nature of accidents, the proportion of persons involved in fatal accidents, reported by large factories only, was almost negligible. A majority of the workers suffered only temporary disabilities. The proportion of workers who were permanently disabled was also not very significant.

#### 6.6. Occupational Diseases

None of the units surveyed reported any occupational disease afflicting its workers.

## CHAPTER VII

### INDUSTRIAL RELATIONS

During the post-war years, particularly ever since Independence, considerable thought and action have been devoted to matters pertaining to the importance of labour-management relations in India. Various legislative measures, notably the Industrial Disputes Act, 1947, have gone a long way in improving industrial relations in the country. During the present Survey, information was collected in respect of some important aspects of industrial relations in the Hydrogenated Oil Industry and the observations made appear in the following paragraphs.

#### 7.1. *Industrial Disputes*

Data pertaining to industrial disputes were not collected during the present Survey since the same were already being received in the Labour Bureau. Such information relating to the number of industrial disputes in the Hydrogenated Oil Industry, number of workers involved and man-days lost since 1959 is given in Statement 7.1.

#### STATEMENT 7.1

*Number of Disputes Resulting in Work Stoppages, Workers Involved and Man-days Lost in the Hydrogenated Oil Industry\**

Year				Number of Disputes†	Number of Workers Involved	Number of Man-days Lost
1				2	3	4
1959	..	..	..	—	—	—
1960	..	..	..	3	310	2,855
1961	..	..	..	—	—	—
1962	..	..	..	1	36	1,008
1963	..	..	..	2	348	683
1964	..	..	..	2	195	1,105

\*Labour Bureau, (Indian Labour Year Book, 1960, 1962 and 1964).

†These include both strikes and lockouts.

It will be seen from the Statement (7.1) that, more or less, peaceful conditions prevailed in the Industry during the period from 1959 to 1964 and the number of strikes and lock-outs was not significant.

#### 7.2. *Trade Unionism*

The information collected during the Survey reveals that in about 70 per cent. of the Hydrogenated Oil factories in the country workers had organised themselves into trade unions and about 57

per cent. of the workers were members of such unions as on 31st March, 1965. The details regarding the extent of trade unionism in large and small factories are given in Statement 7.2.

### STATEMENT 7.2

*Estimated Percentage of Hydrogenated Oil Factories where Workers were Members of Trade Unions, etc.*  
(1965-66)

Size-Group	Number of Factories	Percentage of Factories where Workers were Members of Trade Unions	Number of Workers* as on 31-3-1965	Number of Workers who were Members of Trade Unions	Percentage of Factories where Trade Unions (Some or all) were Recognised
1	2	3	4	5	6
1. Large Factories ..	13	80.0	8,814	5,297 (60.1)	100.0
2. Small Factories ..	17	62.5	2,482	1,125 (45.3)	100.0
3. All Factories ..	30	70.1	11,296	6,422 (56.9)	100.0

\*Covered under the Factories Act, 1948.

Note—Figures within brackets in column 5 are percentages of workers who were members of trade unions to the total number of workers covered under the Factories Act, 1948 on the specified date.

It will be noticed from the Statement that workers in the large units were more unionised than those in small ones. Eighty per cent. of the large factories had unions with a membership of about 60 per cent. of the total employees, the corresponding percentages for the small factories being nearly 63 and 45. As regards multiplicity of trade unions in the Industry, it was observed that in about 88 per cent. of the factories having trade unions, there was only one union while in the rest, two unions were found functioning. All the trade unions were registered under the Indian Trade Unions Act, 1926 and all were recognised by the managements. The main activity of the unions was to assist their members in securing claims under the various labour laws. In addition to this, 40 per cent. of the unions in large establishments provided relief to distressed members in times of need. Adult education and welfare activities had not attracted the attention of any of the unions functioning in the units surveyed.

### 7.3. Collective Agreements

During the course of the Survey, information was collected in respect of collective agreements concluded between employers and workers in the sampled establishments since 1956. It is estimated that 63 per cent. of the Hydrogenated Oil factories in the country had concluded such agreements since 1956. Among large and small factories, the percentage was 80 and 50 respectively. The agreements

covered a wide range of subjects but mainly these related to bonus, revision of wages, leave and holidays, dearness allowance and other allowances, gratuity, etc. It was interesting to note that, in one of the small factories surveyed, an agreement was concluded between the workers and the management wherein both the parties agreed to continue to explore ways and means for increasing productivity and also to follow constitutional methods for resolving disputes.

#### 7.4. Standing Orders

Under the Industrial Employment (Standing Orders) Act, 1946, framing of Standing Orders for regulating such matters as classification of workers, intimation of periods and hours of work, holidays, termination of employment and redress of grievances, etc., is obligatory for all those factories which employ 100 or more workers. The State Governments are, however, empowered to extend the scope of the Act to even those establishments which employ a smaller number of workers.

At the time of the present Survey, it is estimated that about 72 per cent. of the Hydrogenated Oil factories in the country, comprising all large and half of the small factories, were under a statutory obligation to frame Standing Orders. Of these, all the large factories and 50 per cent. of the small factories had actually framed Standing Orders. As regards small factories, it was noticed that several units, though not under any statutory obligation, had also framed Standing Orders. Thus, Standing Orders existed in about 62 per cent. of the small factories. At the Industry level, the percentage of factories having framed Standing Orders whether under obligation or not, was about 79. In about 80 per cent. of the factories, the Standing Orders covered not only production workers but also clerical and watch and ward staff. In the remaining 20 per cent. factories, they covered production workers only. The Standing Orders were certified by the certifying authority in 89 per cent. of the factories. Details appear in Statement 7.3.

#### STATEMENT 7.3

*Estimated Percentage of Hydrogenated Oil Factories where Standing Orders were Framed etc.*

(1965-66)

Size-Group	Number of Factories	Percentage of Factories which had Framed Standing Orders	Percentage of Factories under Statutory Obligation to Frame Standing Orders	Percentage of Factories where Standing Orders were Framed (of Column 4)	Percentage of Factories where Standing Orders were Certified
1	2	3	4	5	6
1. Large Factories ..	13	100.0	100.0	100.0	80.0
2. Small Factories ..	17	62.5	50.0	50.0	100.0
3. All Factories ..	30	78.7	71.7	80.2	89.0

### 7.5. *Labour and Welfare Officers*

With a view to enabling employers to have better arrangements for personnel management and to help them in ensuring proper implementation of labour laws, a specific provision has been made in the Factories Act, 1948, requiring all factories employing 500 or more workers to appoint a Welfare Officer. The rules framed by the State Governments under the Act prescribe the functions and duties of these officers.

According to the findings of the Survey, only one large factory in the Industry employed more than 500 workers and it had duly complied with the law by appointing a Welfare Officer. In addition, about 12 per cent. of the small factories, although not under any statutory obligation, had also appointed Labour Officers. Thus, in the Industry as a whole, about 16 per cent. of the factories had actually appointed Labour/Welfare Officers. The functions of these Officers were reportedly the same as prescribed under the Factories Act. Securing redress of workers' grievances and maintenance of harmonious relations between the employers and the employees were some of their most important functions. They were also advising managements in regard to matters connected with proper implementation of labour laws. Organisation and supervision of welfare activities, job evaluation, recruitment and industrial safety also formed part of their duties in some of the factories. Besides, in about 45 per cent. of the factories, they appeared before the Tribunals etc., on behalf of the managements in cases of Industrial disputes.

### 7.6. *Works/Joint Committees*

Though, as early as 1930, the Royal Commission on Labour had stressed the need and importance of Works or Joint Committees for providing recognised means of consultation between the managements and workmen and thus creating conditions for elimination of sources of friction and inculcating a greater sense of responsibility and interest among workers, it was not till the enactment of the Industrial Disputes Act, 1947, that any positive step was taken by the Government for the setting up of Works or Joint Committees in the country. Under this Act, constitution of Works Committees became obligatory for all those industrial establishments which employed 100 or more workers. Some of the State laws also provided for the constitution of Joint Committees in certain types of establishments.

Data collected during the Survey indicate that all large and 50 per cent. of small factories (i.e., about 72 per cent. of the factories in the Industry as a whole) were under a statutory obligation to constitute Works Committees. Of these, nearly 22 per cent. (i.e., 20 per cent. of large and about 25 per cent. of small factories) had appointed such Committees. The main reasons for not setting up these committees in units where it was obligatory were reported to be that neither the managements nor the workers felt the need for the same and that the workers had not insisted upon the formation of such Committees.

In fact, Works Committees were found to have been constituted in only two of the factories surveyed—one large and the other small. As regards the composition of these Committees, it was observed

that in the large factory, the number of representatives of management and workers was 7 and 6 respectively while, in the small factory, the management had only two representatives as against 6 representatives of workers. The number of meetings held during 1964 was 4 in the large factory and 5 in the small factory. Records of meetings indicated that day-to-day matters of mutual interest as well as individual cases formed the usual items of agenda of these meetings. Decisions taken in these meetings had been implemented.

#### *7.7. Production and Other Committees*

It was reported that only one of the large factories surveyed had constituted a Production Committee to suggest ways and means of maintaining a high level of production and to remove difficulties which hampered production. The Committee had 3 nominees of management and 10 of workers. Similarly in another large factory surveyed, there was an Emergency Production Committee with 5 nominees each of the workers and the management. The objectives of this Committee were to increase production, reduce the cost of production and check absenteeism.

Safety Committees were also existing in one large and one small factory surveyed. The main function of such Committees was to discuss and suggest safety measures keeping in view the nature of accidents common in the factory. These Committees functioned under the Chief Chemist or Medical Officer and included workers' representatives also.

#### *7.8. Grievance Procedure*

It has now come to be recognised universally that some type of arrangement at the unit level for prompt redress of workers' day-to-day grievances is conducive to industrial peace. The Model Standing Orders framed under the Industrial Employment (Standing Orders) Act, 1946, lay down that arrangements should be made for settlement of workers' complaints. As stated earlier in this Chapter, all large factories and about 62 per cent. of small factories (i.e., about 79 per cent. of the factories in the Industry as a whole) had framed Standing Orders and thus had a provision for the settlement of grievances of their employees. Generally, the procedure for redress of grievances arising out of employment or relating to unfair treatment or wrongful exaction on the part of a superior laid down submission of a complaint to the Manager, Chief Chemist or any other officer appointed in this behalf. In case the worker was not satisfied with the decision at this level, he could take up the matter either directly or through a trade union to the higher authority and take resort to other prescribed remedies.

#### *7.9. Association of Workers with the Management*

The present Survey has shown that none of the units surveyed in the Hydrogenated Oil Industry had introduced any scheme for associating workers with the management.

## CHAPTER VIII

### LABOUR COST

Information pertaining to labour cost was collected from the sampled establishments, during the course of the present Survey, in respect of employees covered under the Factories Act, 1948, and receiving less than Rs. 400/- per month as wages. This was in pursuance of the decision taken by the Study Group on Wage Costs appointed by the Ministry of Labour and Employment in 1959. The enquiry pertaining to labour cost was modelled on the lines of the Study of Labour Costs in the European Industry, made by the International Labour Office in 1956, with such modifications as were considered necessary in the light of peculiar conditions in India. For instance, in view of the fact that, in India, wages are paid on the basis of days instead of hours, data were collected in respect of man-days instead of man-hours. Similarly, it was found in the course of the pilot enquiry that, except for a very few establishments, separate records of premium payments made for leave and holidays or for days not worked, were not maintained and hence these were dropped as separate items and recorded under 'basic wages'. Certain additions were made in the list either on the basis of the decisions of the Study Group referred to above, or to elicit separate information on some of the items on which employers have to incur expenses under labour laws in force in the country e.g., lay-off, washing facilities, retrenchment compensation, etc.

As mentioned earlier, the fourth and the last round of the present Survey was launched in April, 1965 and completed in February, 1966. With a view to maintaining comparability of data and ensuring uniformity, it was intended to collect information, as far as possible, for the calendar year 1964. If, however, it was not feasible to collect information for the calendar year 1964, then the field staff was asked to collect the data for the latest available period of 12 months for which the information was available subject to the condition that a major period of calendar year 1964 (at least 6 months of the period) was covered. The available data show that it was possible to collect information from most of the sampled establishments for the year 1964 and the data presented in the following paragraphs may, therefore, be taken to refer to the year 1964.

It may also be mentioned here that with a view to forming a better estimate of labour cost, salaries and allowances, etc., as well as the man-days worked in respect of those persons who were employed in connection with any welfare item, amenity etc., even though they were covered under the Factories Act and were receiving less than Rs. 400 per month, were not included in the general heads "Wages", "Bonuses" and "Other Cash Payments" along with the similar amounts paid to workers who came within the scope of the study. Expenses incurred in connection with such persons were recorded against the items for which they were employed.

### 8.1. Labour Cost per Man-day Worked

On the basis of the data collected during the present Survey in respect of the wages and other earnings of workers, and the expenditure incurred by the employers on various welfare and security measures, subsidy, services, etc., along with the total number of man-days worked, the average labour cost per man-day has been worked out and is given in Statement 8.1.

#### STATEMENT 8.1

#### *Estimated Labour Cost Per Man-day Worked in the Hydrogenated Oil Industry (1964)*

Size-Group	Labour Cost Per Man-day Worked (in Rs.)
1	2
1. Large Factories .. .. .	14.70
2. Small Factories .. .. .	6.53
3. All Factories .. .. .	12.97

The overall labour cost per man-day worked for the Industry, as a whole, has been estimated at Rs. 12.97. There was a marked difference between large and small factories in this respect. The labour cost per man-day worked in large factories amounted to Rs. 14.70 as against Rs. 6.53 in small factories.

### 8.2. Components of Labour Cost

Statement 8.2 shows the distribution of the labour cost according to major heads under which the data were collected.

The main components of labour cost are briefly discussed in the following paragraphs.

#### 8.2.1. Wages

This component comprised basic wages, dearness allowance, incentive or production bonus and attendance bonus. Since most of the factories did not maintain separate records of payments made for the days actually worked and for leave and holiday periods, the amount of 'Wages' included sums paid for the days worked as well as for the days not worked but paid for.

As would appear from Statement 8.2, 'wages' alone accounted for about 91 per cent. of the total labour cost in the Industry. This proportion was higher in large factories (93 per cent.) than in small factories (77 per cent.). Further break-up of 'wages' cost into various sub-groups viz., basic wages and dearness allowance, incentive or production bonus and attendance bonus, is given in Statement 8.3.



## STATEMENT 8.2

*Estimated Labour Cost Per Man-day Worked by Main Components  
in the Hydrogenated Oil Industry  
(1964)*

(In Rupees)					
Size-Group	Wages	Premium Pay for Overtime and Late-Shifts	Bonuses	Other Cash Payments	Money Value of Concessions in kind
	(a)	(b)		(c)	
1	2	3	4	5	6
1. Large Factories ..	13.70 (93.20)	0.02 (0.14)	0.41 (2.79)	0.02 (0.13)	—
2. Small Factories ..	5.01 (76.57)	0.30 (4.59)	0.44 (6.74)	0.04 (0.61)	*
3. All Factories ..	11.86 (91.44)	0.08 (0.62)	0.42 (3.24)	0.02 (0.15)	*

(In Rupees)							
Size-Group	Social Security Contributions		Subsidies	Cost of running Welfare Centres	Direct benefits	Some other Payments related to Labour Cost	Others Total
	Obli- gatory	Non- Obli- gatory					
			(d)		(e)	(f)	(g)
1	7	8	9	10	11	12	13
							14
1. Large Factories ..	0.36 (2.45)	—	0.16 (1.09)	—	*	*	0.03 (0.20) 14.70 (100.00)
2. Small Factories ..	0.34 (5.21)	—	0.29 (4.44)	—	—	0.04 (0.61)	0.08 (1.23) 6.53 (100.00)
3. All Factories ..	0.36 (2.78)	—	0.18 (1.38)	—	*	0.01 (0.08)	0.04 (0.31) 12.97 (100.00)

\*Less than Re. 0.005.

NOTE—Figures within brackets are percentages to total.

(a) Includes basic wage, dearness allowance, incentive bonus and attendance bonus.

(b) Includes extra payment for working on holidays.

(c) Includes house rent allowance, travelling allowance, etc., and other ex-gratia payments.

(d) Includes expenditure on medical and health care, canteens, company housing, creches, educational and recreation services, etc.

(e) Includes direct payments made by the employer to the beneficiary on occasions like birth, death, marriage, etc.

(f) Includes expenditure on recruitment, vocational training, apprenticeship, on-the-job medical services, etc.

(g) Includes expenditure on miscellaneous payments like supply of protective equipment to workers, pay of Labour/Welfare Officers, etc.

## STATEMENT 8.3

*Estimated Break-up of 'Wages' Cost by Components  
(1964)*

(In Rupees)				
Size-Group	Basic Wages and Dearness Allowance (or Consolidated Wages)	Incentive/ Production Bonus	Attendance Bonus	Total
1	2	3	4	5
1. Large Factories ..	13.61 (99.34)	0.09 (0.66)	*	13.70 (100.00)
2. Small Factories ..	5.00 (100.00)	*	—	5.00 (100.00)
3. All Factories ..	11.79 (99.41)	0.07 (0.59)	*	11.86 (100.00)

\*Less than Re. 0.005.

NOTE.—Figures within brackets are percentages.

It is evident from the Statement (8.3) that the 'wages' comprised mainly basic wages and dearness allowance which alone accounted for about 99 per cent. of it. This proportion was higher (100 per cent.) in small factories than in large ones (about 99 per cent.). The rest of the amount was spent by the employers on the payment of Incentive/Production Bonus. Attendance bonus, though paid in one of the large factories surveyed, formed a negligible proportion of the 'wages' cost at the Industry level.

### 8.2.2. Premium Pay for Overtime and Late Shifts

Under this group, only the premium part of pay for overtime, late shifts and work on holidays etc., was recorded. This was represented by an amount received by the workers in addition to their normal pay. For example, if workers were paid one and a half times their normal rates of wages for the overtime work, the extra amount paid to them i.e., one half, was recorded against this item. The normal wages were included under the group 'wages'.

From Statement 8.2, it would be seen that the cost under this item accounted for hardly 1 per cent. of the total labour cost per man-day worked. As between large and small factories, its proportion was about 4.6 per cent. in small factories as against only about 0.1 per cent. in large factories.

### 8.2.3. Bonuses

Under this group, data were recorded in respect of payments made to the employees in the shape of Festival, Year-end, Profit-sharing and other types of bonuses. As would appear from Chapter III, only Year-end Bonus was being paid to the workers in the Hydrogenated Oil Industry. It would be seen from Statement 8.2 that

bonus payments accounted for nearly 3 per cent. of the total labour cost per man-day worked in the Industry. Its percentage was higher in small factories as compared to large ones.

#### 8.2.4. *Other Cash Payments*

The main items to which the expenses recorded under this head related were house rent allowance, transport allowance, special allowance, shift allowance and other *ad hoc* or *ex-gratia* payments made to workers. All these taken together, however, constituted an almost insignificant proportion of the total labour cost.

#### 8.2.5. *Money Value of Concessions in Kind*

Concessions in kind related to items such as free supply of vanaspati or soap in one of the small factories surveyed. Its cost in relation to the total labour cost in the Industry was also negligible.

#### 8.2.6. *Social Security Contributions*

Information in respect of this component of labour cost was collected under two heads: (a) obligatory i.e., those expenses which the employers were required to incur in compliance with certain labour laws, and (b) non-obligatory i.e., those social security contributions which the employers were making on a voluntary basis without any legal compulsion. It was observed that no expenditure was incurred by the employers on account of non-obligatory social security contributions. The cost on account of obligatory social security contributions worked out to Re. 0.36 per man-day worked or nearly 3 per cent. of the total labour cost. Statement 8.4 shows the estimated cost of obligatory social security contributions under each item for which information was collected.

It will be seen from the Statement (8.4) that the labour cost of Re. 0.36 per man-day worked on account of obligatory social security contributions consisted mainly of provident fund (Re. 0.26), Employees' State Insurance Contributions (Re. 0.07), retrenchment compensation (Re. 0.02) and compensation for lay-off (Re. 0.01). Cost on account of employment injury compensation, maternity benefits and gratuity was negligible.

#### 8.2.7. *Subsidies*

Cost to employers for providing certain facilities and services to the workers and their families was collected under this head. The facilities listed were Medical and Health Care, Canteen, Company Housing, Credit Unions, Educational Services, Cultural Services, Recreation Services, Transport, Sanitation, Drinking Water, Washing Facilities, etc. The net amount spent, including depreciation but excluding any capital expenditure, was recorded. In the course of the pilot enquiry, it was noticed that in most of the cases, employers either did not maintain any records separately for the above mentioned items, or expenses related not only to persons falling within the scope of the Study but also to others. Hence, the field staff were asked to obtain estimates, wherever such statistics were not available separately, for the above mentioned items and for the employees.

## STATEMENT 8.4

*Estimated Cost of Social Security Contributions Per Man-day Worked  
in the Hydrogenated Oil Industry  
(1964)*

(In Rupees)

Size-Group	Obligatory					
	Provident Fund	Retrenchment Compensation	Compensation for lay-off	Employees, State Insurance Contribution	Compensation for	
					Employment Injury	Occupational Diseases
1	2	3	4	5	6	7
1. Large Factories ..	0.26 (72.22)	0.02 (5.56)	0.01 (2.78)	0.07 (19.44)	*	—
2. Small Factories ..	0.26 (76.47)	—	—	0.07 (20.59)	—	—
3. All Factories ..	0.26 (72.22)	0.02 (5.56)	0.01 (2.78)	0.07 (19.44)	*	—

(In Rupees)

Size-Group	Obligatory				Non-Obligatory	Total for Obligatory and Non-obligatory	Percentage of Social Security Contributions to the Total Labour Cost
	Maternity Benefits	Dependents allowance	Gratuity	Total			
1	8	9	10	11	12	13	14
1. Large Factories ..	*	—	—	0.36 (100.00)	—	0.36 (100.00)	2.45
2. Small Factories ..	—	—	*	0.34** (100.00)	—	0.34 (100.00)	5.21
3. All Factories .. ..	*	—	*	0.36 (100.00)	—	0.36 (100.00)	2.78

\*Less than Re. 0.005.

\*\*The components do not add up to the total due to the fact that amounts less than Re. 0.005 have been omitted.

NOTE—Figures within brackets are percentages.

covered by the Study only. In the latter case, estimates were made on the basis of the proportion that the employees coming under the scope of the Study formed to the total employees. Statement 8.5 gives details in respect of the cost on subsidies incurred by the employers in the Hydrogenated Oil Industry.

The cost of subsidies per man-day worked amounted to Re. 0.18, constituting about 1 per cent. of the total labour cost. It was significant to note that the expenses incurred on subsidies were more in small factories as compared to large ones.

## STATEMENT 8.5

**Estimated Cost of Subsidies Per Man-day Worked in the  
Hydrogenated Oil Industry  
(1964)**

(In Rupees)

Size-Group	Medical and Health Care	Canteens	Company Housing	Credit Unions, etc.	Educa- tional Services	Cultural Services	Recrea- tional Services
1	2	3	4	5	6	7	8
1. Large Factories ..	0.04 (25.00)	—	0.05 (31.25)	..	0.02 (12.50)	*	*
2. Small Factories ..	0.04 (13.79)	0.06 (20.00)	0.06 (20.00)	0.01 (3.45)	0.01 (3.45)	*	0.01 (3.45)
3. All Factories ..	0.04 (22.22)	0.01 (5.56)	0.05 (27.78)	*	0.02 (11.11)	*	*

(In Rupees)

Size-Group	Transport	Sanita- tion	Drink- ing Water	Washing Facilities	Others	Total	Perce- ntage of subsidies to the Total Labour Cost
1	9	10	11	12	13	14	15
1. Large Factories ..	—	0.04 (25.00)	*	0.01 (6.25)	—	0.16 (100.00)	1.09
2. Small Factories ..	*	0.08 (27.58)	0.01 (3.45)	0.01 (3.45)	..	0.29 (100.00)	4.44
3. All Factories ..	*	0.05 (27.78)	*	0.01 (5.55)	—	0.18 (100.00)	1.38

\*Less than Re. 0.005.

NOTE—Figures within brackets are percentages.

**8.2.8. Direct Benefits**

Direct benefits are those benefits which are paid by the employers directly to the beneficiary without any intermediary or external agency on such occasions as birth, death, marriage, etc. It was observed that a negligible amount was spent by large factories under this head.

**8.2.9. Some Other Payments Related to Labour Cost**

Under this group, expenses relating to on-the-job medical services, cost of recruitment and remuneration paid to apprentices incurred by the employers were recorded. The total cost incurred on account of all these items amounted to a small sum of Re. 0.01 per man-day worked (Statement 8.2) at the Industry level.

**8.2.10. Others**

Under this head, only those expenses which could not be grouped under any of the heads or sub-heads of the labour cost items were recorded. They related to the cost incurred by the employers on account of protective clothing and salary of Labour/Welfare Officers. The total cost incurred on account of all these items amounted to Re. 0.04 per man-day worked at the Industry level forming an insignificant proportion of the total labour cost.

## CHAPTER IX

### SUMMARY OF FINDINGS

At the beginning of the First Five Year Plan, there were only 24 registered Hydrogenated Oil factories in the country employing about 5.8 thousand workers. By 1965, the number of factories had increased to 39 with an average daily employment of about 10.7 thousand, thus recording a rise of nearly 62 per cent. in number of factories and a little less than 100 per cent. in employment.

Data collected during the present Survey show that on 31st March, 1965, the estimated total number of workers employed in the Industry was 11,741. Of these, nearly 78 per cent. were 'Production and Related Workers (including Supervisory)', nearly 10 per cent. were 'Clerical and Related Workers (including Supervisory)', about 7 per cent. were engaged on 'Watch and Ward and Other Services', about 4 per cent. were 'Professional, Technical and Related Personnel' and the remaining 1 per cent. belonged to the group 'Administrative, Executive and Managerial Personnel'.

Almost the entire working force in the Industry consisted of men as the percentage of women workers to the total working force was hardly 3. Child labour was totally absent. The predominant system of payment in the Industry was by time and it covered about 98 per cent. of the workers. The system of employing contract labour was prevalent in about 40 per cent. of the factories and such labour accounted for about 10 per cent. of the total 'Production Workers'. About 93 per cent. of the workers were recruited directly at the factory gate. Approximately 74 per cent. of the directly employed 'Production Workers' in the Industry were permanent, nearly 22 per cent. temporary, about 3 per cent. *badlis* and remaining 1 per cent. were casual workers. The Hydrogenated Oil Industry had a relatively stable working force as approximately 38 per cent. of the directly employed 'Production Workers' had 10 years' or more of service to their credit as on 31st March, 1965, and only about one-fourth of the workers had put in a service of less than one year. Steps to reduce absenteeism and labour turnover had been taken by about 47 and 7 per cent. of the Hydrogenated Oil factories respectively. Training facilities for workers existed in about 23 per cent. of the factories in the country.

The estimated average daily earnings of 'Administrative, Executive and Managerial Personnel' and 'Professional, Technical and Related Personnel' were Rs. 35.49 and 17.32 respectively in March, 1965. Clerical and Related Workers earned, on an average, Rs. 8.98 per day and Watch and Ward Staff Rs. 3.25 per day. The practice of paying a separate dearness allowance was prevalent in about 46 per cent. of the factories, out of which in half of the factories it was linked with the Consumer Price Index Number. About 16 and 32 per cent. of the Hydrogenated Oil factories in the country paid production/incentive bonus and house rent allowance respectively.

The practice of paying annual bonus existed in about 86 per cent. of the Hydrogenated Oil factories in the country and about 53 per cent. of them had regular schemes.

About 86 per cent. of the Hydrogenated Oil factories in the country were working three shifts a day and 7 per cent. each were having one shift and four shifts daily. In all the factories having more than one shift, there was a night shift and all of them had a regular system of transferring workers from day shift to night shift and *vice-versa*. The daily and weekly hours of work conformed to the limits prescribed under the Factories Act in all the factories. However, no rest interval was allowed to workers in about 23 per cent. of the factories in the Industry.

Nearly 16 per cent. of the factories had not provided seats for workers obliged to do their work standing.

In regard to such basic necessities as latrines and urinals, the position was found to be quite satisfactory in the Industry. While all the units surveyed had provided latrines, separate urinals were provided in about 93 per cent. of the factories.

All the factories covered in the Survey were found to be granting earned leave with pay, generally in accordance with the provisions of the Factories Act. It is estimated that, in 1964, about 76 per cent. of the workers in the Hydrogenated Oil factories enjoyed earned leave and about 40 per cent. of them took leave for more than 15 days. The practice of granting casual leave and sick leave with pay was in vogue in about 54 and 32 per cent. of the factories respectively. National and festival holidays with pay were being granted in all the factories covered during the Survey. All the sampled factories were found to be complying with the provision of law in regard to grant of weekly-off to their employees.

Suitable arrangements for the supply of drinking water were found to be existing in all the Hydrogenated Oil factories surveyed. During the summer months, cooled water was being supplied to the employees in all the units although only half of them were obliged to do so. Washing facilities were available to workers in all the units and some cleansing material like soap was also being supplied in all of them. Bathing facilities had been provided in about 70 per cent. of the factories in the Industry.

Canteens were provided in 63 per cent. of the factories in the Industry. However, of the factories legally required to have canteens, about 83 per cent. had complied with the law. In about 34 per cent. of the canteens, tea, coffee, snacks and meals were served while, in the rest, meals were not served and one or more of the other items were available. Nearly 36 per cent. of the canteens were run by the management, another 36 per cent. by contractors, 14 per cent. by workers and an equal proportion jointly by management and workers.

About 16 per cent. of the Hydrogenated Oil factories in the country were under a statutory obligation to provide rest shelters but none of them had complied with the provision of law in this respect.

Facilities for recreation of workers existed in 37 per cent. of the factories. The arrangements were in the form of indoor and outdoor games, radio sets, film shows and celebration of religious and social functions.

Arrangements for the education of workers' children were existing in the Industry on a meagre scale as only one of the small factories surveyed had provided a primary school.

Medical facilities in the form of attached dispensaries, manned by full-time or part-time doctors and other staff, were being maintained by about 32 per cent. of the factories in the Industry. Besides, about 25 per cent. of the factories had made arrangements with individual doctors or dispensaries for the treatment of their employees. Only one large factory was required to provide an ambulance room but it had not done so. About 91 per cent. of the factories in the country were found to be complying with the law in regard to provision of first-aid boxes. In most of the cases, the contents of these boxes were found to be complete and they were under the charge of trained personnel.

Nearly 79 per cent. of the Hydrogenated Oil factories in the country were providing housing accommodation to their employees. The benefit was, however, not very extensive as only 15 per cent. of the total working force in the Industry had been housed. Accommodation was rent-free in 80 per cent. of the units providing houses while, in the rest, rent was charged either from all or certain categories of workers.

Data collected indicate that provident funds existed in about 93 per cent. of the Hydrogenated Oil factories, mostly under the Employees Provident Funds Scheme framed by the Government of India in 1952. Nearly 69 per cent. of the workers were members of the various provident fund schemes. The system of paying gratuity existed in about 28 per cent. of the factories in the country. None of the units surveyed was, however, having any pension scheme for the workers.

It is estimated that, during 1964, the frequency rate of accidents in the Industry as a whole was nearly 56 per thousand workers employed. Most of the workers involved in accidents suffered only temporary disabilities.

Trade Unions existed in about 70 per cent. of the Hydrogenated Oil factories and nearly 57 per cent. of the workers were members of these unions. All the unions had been accorded recognition by the concerned management.

Collective agreements since 1956 had been concluded in 63 per cent. of the Hydrogenated Oil factories in the country. The agreements related to bonus, revision of wages, holidays and leave, dearness allowance and other allowances, gratuity, etc. Standing Orders for regulating service conditions had been framed in about 79 per cent. of the factories. However, of the factories under legal obligation to frame Standing Orders, about 80 per cent. had done so. In most cases, the Standing Orders covered not only 'Production Workers' but clerical and watch and ward staff also.



About 16 per cent. of the Hydrogenated Oil factories in the country had appointed Labour/Welfare Officers. Only one large factory was under a statutory obligation to appoint Labour/Welfare Officer and it had complied with the law. In addition, about 12 per cent. of the small factories, although not under any statutory obligation, had also appointed Labour Officers. As regards Works/Joint Committees, the Survey revealed that about 72 per cent. of the factories were under a statutory obligation to constitute Works Committees, but out of these, only about 22 per cent. had appointed such Committees. A few factories in the country had constituted other committees like Production Committee, Safety Committee and Emergency Production Committee.

In those units where Standing Orders had been framed (i.e., about 79 per cent.), workers' day-to-day grievances were being attended to under the provision of the Standing Orders. None of the units surveyed had introduced any scheme for associating workers with the management.

Data pertaining to labour cost collected in respect of workers covered under the Factories Act, 1948, and receiving less than Rs. 400 per month show that, in 1964, the cost per man-day worked in the Industry was Rs. 12.97. Wages, viz., basic wages, dearness allowance, incentive/production bonus and attendance bonus, alone accounted for about 91 per cent. of the total labour cost. Bonuses and Social Security Contributions accounted for about 3 per cent. each of the total labour cost. Expenses falling under the group 'subsidies' constituted about 1.4 per cent. of the total labour cost.

Salient features of the Hydrogenated Oil Industry in the country, as thrown up by the Survey of Labour Conditions, are presented in the following Statement 9.1.

#### STATEMENT 9.1

##### *Salient Features of the Hydrogenated Oil Industry*

Particulars	Estimates for the industry, as a whole
1	2
<b>I. Employment—</b>	
Total .. .. .	11,741
Of which Production and Related Workers .. .. .	78%
Others .. .. .	22%
Women Labour .. .. .	3%
<b>Production Workers—</b>	
Total .. .. .	9,109
Of which Time-rated .. .. .	98%
Piece-rated .. .. .	2%
Employed through contractors .. .. .	10%

## STATEMENT 9.1—concl'd.

1	2
<i>Production Workers Employed Directly—</i>	
Total .. .. .	8,173
Of which permanent workers .. .. .	74%
Workers with service of 10 years and more .. .. .	38%
<i>II. Wages and Emoluments—</i>	
Average daily earnings of—	
(i) All workers (1965) .. .. .	Rs. 7.38
(ii) Professional, Technical and Related Personnel—(March, 1965) ..	Rs. 17.32
(iii) Administrative, Executive and Managerial Personnel—(March, 1965) .. .. .	Rs. 35.49
(iv) Clerical and Related Workers (including Supervisory (March, 1965) .. .. .	Rs. 8.98
(v) Watch and Ward and Other Services (March, 1965) ..	Rs. 3.25
<i>Proportion of—</i>	
Factories paying separate dearness allowance .. .. .	46%
Factories in which the dearness allowance was linked with the Consumer Price Index Number* .. .. .	50%
Factories paying production/incentive bonus .. .. .	16%
Factories paying annual bonus .. .. .	86%
Factories paying festival bonus .. .. .	..
<i>III. Hours of Work, etc. —</i>	
(Proportion of)	
Factories where daily hours of work were 8 or less .. .. .	67%
Factories where weekly hours of work were 48 or less .. .. .	100%
Factories where spread-over was up to 9½ hours .. .. .	100%
Factories where rest-interval was up to one hour .. .. .	77%
<i>IV. Leave and Holidays with Pay—</i>	
(Proportion of units granting)	
Earned leave .. .. .	100%
Sick leave .. .. .	32%
Casual leave .. .. .	54%
National and festival holidays .. .. .	100%
Weekly off .. .. .	100%
<i>V. Welfare and Amenities</i>	
(Proportion of units providing)	
Seating arrangement (out of those where workers had to do work standing) .. .. .	84%
Drinking water facility .. .. .	100%
Washing facility .. .. .	100%
Rest shelters .. .. .	33%
Canteens .. .. .	63%
Latrines .. .. .	100%
Urinals .. .. .	93%

\*Out of those paying separate dearness allowance.

## STATEMENT 9.1—concl'd.

1	2
Labour/Welfare Officers .. .. . First-aid boxes .. .. . Ambulance room .. .. . Recreation facilities .. .. . Educational facilities .. .. . Housing facility .. .. .	16% 91% — 37% 7% 79% (15%)†
<b>VI. Social Security—</b> (Proportion of units having)	
Provident fund schemes .. .. . Pension schemes .. .. . Gratuity schemes .. .. .	93% — 28%
Proportion of workers covered under Provident Fund Schemes ..	69%
<b>VII. Accident Rate—</b>	
(Per thousand workers employed) .. .. .	56
<b>VIII. Industrial Relations—</b>	
Factories having trade unions .. .. . Proportion of workers who were members of trade unions .. Units having concluded collective agreements .. .. . Factories having Standing Orders .. .. . Factories having Works/Joint Committees .. .. .	70% 57% 63% 79% 16%
<b>IX. Labour Cost—</b>	
Labour Cost per man-day worked during 1964 .. .. .	Rs. 12.97

†Indicates percentage of workers housed.

## APPENDIX

### *A. Brief Note on the Sample Design and the Method of Estimation Adopted*

#### *1. Sample Design*

For the Survey of Labour Conditions, a multi-stage sampling procedure with industry as a stratum, with further regional strata for those industries which were found to be highly concentrated in particular regions or areas, was followed. The registered factories belonging to those industries for which regional stratification was found necessary were stratified and each centre or area of high concentration was taken as a separate regional stratum of the industry and the remaining scattered factories were clubbed together into a single residual stratum. Establishments in an industry/regional stratum were arranged in a frequency distribution fashion with suitable class intervals and were divided into two size-groups, large factories and small factories, on the basis of an optimum cut-off point derived for each industry. The optimum cut-off point was so derived that if all the establishments in the upper size group were included in the sample, the results obtained would yield an estimate of overall employment within 5 per cent. error at 95 per cent. confidence interval, and the sample size would be minimum. The optimum cut-off point varied from industry to industry. For the Hydrogenated Oil Industry it was chosen as 235 which was approximately equal to the average size of employment in the Industry. However, considering the limited resources available for the Survey of Labour Conditions and the practicability, etc., it was thought that a sample of 25 per cent. from the upper size group and 12½ per cent. from the lower size group would yield reliable results. However, the experience of earlier Surveys had shown that due to (i) non-availability of very recent frame, (ii) closures, and (iii) units changing their line of production, considerable shrinkage had occurred to the desired sample size. Hence it was decided that for taking into account such closures etc., the required sample size should be increased to allow for the above mentioned shrinkage. Since the sample size in respect of almost all industries had been inflated to safeguard against shrinkage due to closure of units etc., substitution was resorted to only in case of abnormal closures of units, in the manner explained below:—

I. In case of such industries where the sample size had not been inflated substitution was done to replace sampled units found closed.

- (a) If the number of sampled units was 5 or less in size class of a particular industry/stratum; or
- (b) The number of units found closed, etc., was more than 1 in a sample of 6 to 10 units of size class of particular industry/stratum.
- (c) In cases where the sample size was more than 10 units, substitution was made when the extent of closures was 50 per cent. or more.

II. For industries where the sample size had already been inflated substitution was done only if the extent of closure was 50 per cent.

or more irrespective of the size of the sample unless such a high rate was already noticed in the Second Occupational Wage Survey and consequently taken into account in fixing the sample size.

The ultimate sampling units, namely registered factories, within an industry/regional stratum were arranged by contiguous States and within each State by contiguous districts in a serpentine fashion so that districts formed a continuous chain from one State to another. Having arranged the list of units in the above manner, the units above the optimum cut-off point were taken in the upper-size class and the rest in the lower-size class. From these size-groups, the required number of units were selected by systematic sampling with a random start. The frame on the basis of which the sample was selected in the case of Hydrogenated Oil factories was the list of registered factories for the year 1963.\*

## 2. Method of Estimation

In the course of the Survey, various characteristics were studied, some of which were correlated with employment whereas there were others which were not correlated with employment but with the number of establishments. Consequently, two different methods were used for working out estimates.

For estimating the totals of those characteristics which are high correlated with employment such as labour cost, etc., ratio of total employment was used as the blowing up factor. For estimating the totals of those characteristics which are not correlated with employment such as, number of units providing certain welfare facilities, etc., the ratio of units was used as the blowing up factor. Estimates of percentages have been arrived at by computing in each case the ratio of the estimates of the totals for the two characteristics involved.

More precisely, the estimate for the total (for all-India) of  $X$ —characteristic not correlated with employment in the industry has been obtained as:—

$$X = \frac{N_u - N'_u}{n_u - n'_u} \sum_i X_{iu} + \frac{N_1 - N'_1}{n_1 - n'_1} \sum_i X_{i1} \quad \dots \quad (i)$$

The summation extending over all the sampled units surveyed in the industry.

Where  $X$  = the estimated total of the  $X$ —characteristic for the industry.

$N_u$  and  $N_1$  = the number of units in the original population as featuring in the 1963 list, which was used as frame, in the upper and lower size groups respectively of the industry.

$N'_u$  and  $N'_1$  = the number of units which featured in the 1963 list but were not featuring in the list relating to the period more or less coinciding with the period of the Survey in the upper and lower size-groups respectively of the industry.

$n_u$  and  $n_l$  = the total number of units in the sample (from 1963 list) in the upper and lower size-groups respectively of the industry.

$n'_u$  and  $n'_l$  = the number of sampled units, which were found at the time of the Survey to be closed or to have changed the line of production and hence left out in the upper and lower size groups respectively of the industry.

$X_{iu}$  and  $X_{il}$  = the total of the characteristic  $X$  in the  $i$ th sample unit of the upper and lower size-groups respectively of the industry.

In the industry the estimate for the characteristic— $Y$  correlated with employment is given by

$$Y = \frac{E_{Nu}-N'_u}{E_{nu}-n'_u} \sum_i Y_{iu} + \frac{E_{Nl}-N'_l}{E_{nl}-n'_l} \sum_i Y_{il} \quad \dots \quad (ii)$$

The summation extending over all the sampled units surveyed in the industry/stratum.

Where  $Y$  = the estimated total of the characteristic— $Y$  for the industry.

$E_{Nu}-N'_u$  and  $E_{Nl}-N'_l$  = the total employment in 1963 in

$N_u - N'_u$  and  $N_l - N'_l$

units respectively of the industry.

$E_{nu}-n'_u$  and  $E_{nl}-n'_l$  = the total employment in 1963 in

$n_u - n'_u$  and  $n_l - n'_l$

sampled units respectively of the industry.

$Y_{iu}$  and  $Y_{il}$  = the total of characteristic  $Y$  in the  $i$ th sample unit of the upper and lower size-groups respectively of the industry.



